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THE UPRISING OF THE MANY

POLANDER

From Warsaw, where the revolutionary spirit is strong. "The whole world moves on toward a determination that Greed must not rely upon Need. . . . that wealth must no longer be allowed to have its own way and work its own will"

RMAN

"The bu rman wor by the pre gman . but to su in Eng an rags, feelin the ceun rag bundle by side" remedying

The Uprising of the Many

By

Charles Edward Russell

Illustrated from photographs

New York
Doubleday, Page & Company
1907

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FOREWORD

FROM all this disheartening and intolerable situation wrought in a free country by money madness and organized greed—what shall come?

For the threat of a moneyed autocracy, the passing of wealth, and the power for which wealth stands, into the hands of a few; for the lawless and grasping Corporation; for Beef Trusts that control the nation's food supplies and Standard Oil Companies that seize upon its financial energies; for the perils of Frenzied Finance, the imminent ruin of democratic ideals, and the lowering of national standards of morality—what cure?

For the wanton waste and criminal recklessness revealed by the insurance scandals, for the growth here of a Power able to nullify laws and defy government, for the trusts that are utterly prohibited and still thrive, for financial buccaneering, for huge and unpunished swindles like the Shipbuilding Company and great confidence games like Amalgamated Copper, for the accumulation of fortunes by public plunder—what shall we do?

For the failure of our municipal government through the bribe-giving of corporations, for the corrupt control of state and national legislation, for such humiliating scandals, brought about by corporation influence, as the misrule of Philadelphia and the rottenness of New Jersey—what?

For the growing slums in great cities, for the millions of lives there without light, hope or opportunity, for colossal fortunes and rear tenements, for the multiplying millionaire and the multiplying pauper, for the cruelty

and insatiable avarice of capital and the darkness of drudging labor—what?

We have been slow to admit the evil conditions that we face: we are driven to admit them now. For a long time we have been quite familiar with the combination of capital that dominates industry, stifles competition, and destroys the chance of business independence: we are beginning to see what such combinations lead to, the peril of the fortunes they create, the peril of law persistently broken, the peril of controlled markets, controlled supplies, and controlled labor, the sobering peril of illimitable power in the hands of irresponsible men. We are beginning to see now that it is impossible to maintain a monstrous aggregation of capital like the Standard Oil System without having in it an institution that influences government and interferes with natural rights.

We have seen the gradual expropriation of the farmer, the steady decline in the number of farm owners, the steady increase in the number of farm tenants, and we know that this means the seizure of the land by swollen capital and the creation of a land system in all respects similar to the feudal system that has cursed Great Britain.

We have seen industry repeatedly paralyzed by strikes, and in great cities the strange spectacle of armed men constantly on guard to preserve the peace threatened by angry toilers. In Chicago we have seen the entire police force engaged for five weeks at a time in suppressing the violence alleged to have been created by one strike.

The signs multiply that Americans are beginning to weary of these things, of municipal misgovernment, the worst in the world, of the unkempt and barbarous aspect of our cities, the selfish attitude of public officers, and the perversion of all things good by the power of money.

We are restless under a Senate owned body and soul by the railroad and financial interests, under a system that allows rich men to dodge taxes and evade laws. As a nation we are heartily sick of the rule of bribery in our legislatures, boodle in our city councils, and graft in our business. We begin to feel that a system that compels us to pay dividends on fictitious and watered stocks, and to furnish the counters wherewith gamblers play the games of high finance, has something in it utterly and hopelessly wrong.

We have learned from countless examples in our daily affairs how dangerous it is to let these conditions go on—dangerous for ourselves and for the men that profit from them. We have grown familiar with the spectacle of men of good instincts and naturally good character, men that were kindly, tolerant, and generous, transformed into mad devils by the opportunity of unlimited money-getting and the craze for power; transformed so that they will stop at no crime and balk at no mean and dirty device to augment their fortunes. The country is intensely dissatisfied with a situation that makes these crimes not only possible but triumphant.

For all this what answer?

Nor can we think that the public unrest is in any degree created by demagogues preaching alarm; all too obviously it is the sole product of facts and events. No one could read the story of the insurance scandal and fail to see that the real significance involved was the danger not to the policy-holders but to the whole country of these vast accumulations of capital and this vast power of the foolish or the unscrupulous to play ducks and drakes with the nation's resources. No one can read the reports of the annual profits of one of the great corporations without

seeing that it portends things fit to cause the gravest meditation. From the operations of the Standard Oil Company come year after year hundreds of millions of abnormal profit pouring into the hands of five or six men. The sheer force and momentum of these millions become an irresistible power. They must be reinvested, they cannot be hoarded; and every investment thus chosen and appropriated becomes in its turn another machine producing more millions of profits that again annually demand more investments. Thus with the profits of the Standard Oil, Mr. Rockefeller is reported to have bought control of the New York Central System. Next year the profits of that system will demand investment and so will the profits of Standard Oil, and these will drive Mr. Rockefeller by a force utterly beyond his control, by an imperative and cumulative force, to buy other systems and still others so long as there is anything left to buy.

What this has meant up to the present time we can see from the fact that the Standard Oil group of capitalists is represented in the directorates of three-quarters of the railroad mileage of the United States. What it will mean if it goes on unchecked can be foreseen as easily. Take all the enterprises, all the branches of industry that are organized in ways similar to the Standard Oil and in which the same causes are producing the same measureless forces of accumulated profits. Is it in the least unreasonable to predict a condition a few years hence in which all the productive and transportation industries of the United States will be owned by a single coterie and all other men be their salaried employees?

These things, of course, cannot go on. We need not be Radicals, nor Extremists, nor affected in the slightest degree by any doctrine of alleged remedy, to see very clearly

that present conditions cannot go on. The most conservative man in America, the slowest-pulsed and coolest-headed, knows as well as the loudest agitator that they cannot go on. They are impossible, they are not in nature, they contradict the whole trend of recorded race development. They are reversionary, they refute and destroy democracy, they restore feudalism, they are utterly irreconcilable with the American idea.

The rise of this country was wrought by its conditions of freedom, equality, and opportunity guaranteed to all men. A condition in which opportunity becomes the possession and heritage of one infinitesimal class would make our history a huge and sardonic jest. An industrial feudalism is as repugnant to progress as a military feudalism. An autocracy of wealth is in every way as bad as an autocracy of rank, and no more likely to endure. The strength of any nation is the strength of its democracy. Privilege, caste, class, corruption, great wealth in the hands of a few, the idea that wealth is immune from law and the idea that justice can be bought and sold, are the agencies that in all history have undermined and destroyed. Unless we can think that with our eyes open and with full consciousness we are ready to abandon everything we have stood for in the world, all these conditions of evil are doomed.

We need not suppose that we are alone in confronting these problems nor that they are in any way unique or peculiar. They exist around the world; they are faced, or have been faced, by every civilized people. In some countries they are poignant and in some they are dormant, but wherever men toil and accumulate there is a situation at least in some degree like our own. It is, indeed, only part of a contest that man began to wage as soon as he was equipped with the rudiments of a machine to think with.

In these modern days the record of the devices and expedients to which this contest has forced him, the forward and backward movements, the strange experiments, the gropings about in the darkness of the most perplexing problems of humanity, are far more interesting and instructive than all records of all battles and sieges. Kings and governments come and go, armies win and lose and leave nothing for posterity, but this struggle of men goes on always, the struggle of men to live without coercion, without slavery or enslaving, without oppression or penury, with some decency and some opportunity and what joy they can lay hold of. Nothing else that men have attempted compares with this ancient protest against force, the curious blind struggle to find some way to live by which no man shall have too much and none too little, but all the children of the earth shall have some share of the fruits of the earth with some share of freedom. It is the only human struggle worth thinking about, for this includes all others and remains when others pass.

It is intended here to give some account of the present state of this contest in the leading nations of the world, to tell something of the efforts other men have made to find a way out of the difficulties that confront us and some description of the often novel experiments and expedients to which such men have resorted. I shall relate how under such conditions as now plague us twenty-eight half-starved weavers gathered in a hovel and struck blindly and unconsciously upon an idea that has revolutionized a country's business and alleviated the condition of millions. I shall tell how their twopenny subscriptions and little self-denials have been better in results than all the solemn conclusions of all the solemn authorities on political economy. I am to tell how their labors evoked a degree

of unselfish devotion to the Common Good that cynical philosophers assert does not exist. I am to tell how Co-operation seemed at first to be the certain panacea for all the troubles of men oppressed on one side by the greed of the fortunate and on the other by the fear of starvation; how the power of wealth assailed and often overthrew the coöperative movement, and how, with all its blessings and advantages, it failed to reach the mass of suffering humanity. I am to tell all the stages of this remarkable development, one of the most interesting and instructive among human records, the story of the accidental starting, by oppressed men stumbling about in the dark, of the fire that ran around the earth.

I shall try to tell how in the course of this supreme struggle of mankind the state has lately come to take part and what have been the results of its interference; how more and more it has intervened in the gainful pursuits of men and assumed the functions that in this country we have uniformly left to private enterprises. In some parts of the world it has sought to prevent the gathering of excessive wealth and power by becoming itself a commercial trader and entering into active competition with its citizens. Sometimes it has provided for the public all the means of transportation and all the telegraphs and telephones, the lighting and even the fuel; and sometimes as conspicuously in the case of London, it has undertaken to build and rent dwelling-houses, stores, and theatres, operate lines of steamers, and provide work for the unemployed. The idea of state interference, which was the natural successor to the idea of Coöperation as a bulwark against unlimited greed, has grown and made headway until the public ownership and operation of public utilities has become a recognized and vital function of government, until five-

sixths of the railroads of Europe are owned and operated by the states. I shall try to tell how every stage of this extraordinary revolution has been steadfastly and often most ably opposed by the power of Vested Interests that threatens us. So that we have performed before us in the actual experiences of contemporaneous men the whole range of all the cures that ever have been proposed for the universal evil, the endless struggle of mass and class, the stirring spectacle of the modern battle-field. For in the twentieth century, it may be supposed the forms of the world-old contest have shifted, the conflicts that used to be waged with clubs and guns are now settled by intellectual forces, and day after day in these colossal changes we may see fought out before us battles far more momentous than Waterloo.

Beyond Europe the old struggle has brought forth in Australia a new form of government, a constitution of advanced philosophy, a system by which aggrandizement is curbed, the weak are protected against the strong, and, while no private enterprise is restrained, there can be no huge combinations to prey upon the public and absorb the resources of the country. Blessed with a late start in the world's history, profiting by so much human experience, and being worked out by what we are pleased to call the ablest thinkers and foremost minds, this constitution has been declared to be the most nearly perfect men have so far devised, and the ripe fruit of modern thought and observation. Under it a stone-mason has become a chief magistrate, and the people have seemed to secure the largest possible measure of self-government. It will be interesting, I hope, to see how it has worked in practice and how it has succeeded as a piece of government machinery, and how it has failed to

solve the problem of the happiness and security of mankind.

At the same time in another new land the movement toward state ownership and state control that has lately swept over Europe has been carried to the farthest limits. New Zealand has contended with all our problems and found answers for them in a system by which the government owns and operates railroads, telegraphs, telephones, banks, insurances, prevents strikes by compulsory arbitration, helps workmen to find employment, and conducts a paternal supervision of every citizen from the cradle to the grave. It should be worth while now to note what has come of all this and what personal observation reveals of life in a country where there are no strikes, no lockouts, no contests between labor and capital, no very rich men, none very poor, no disturbances, no riots, no rancorous politics, no "pulls," no jobs, no trusts, no Wall Street, no Standard Oil, no Beef Trust, no unpunished crime, no bribery, no grafting, and no unbridled greed. The condition of New Zealand has been held up as the ideal and ultimate state to which all modern progress inevitably tends. I desire to tell here exactly what I saw of it in practice.

And it will appear as a strange and awful fact that in the first of the countries we are to consider in these papers the influence of civilization has become so weak that in the centres of great modern cities, surrounded by wealth and sumptuous display, millions of men and women are daily and visibly relapsing into barbarism. After a long descent from the race most talked about and boasted of, and after all the aids of the most advanced modern life, the fruit there is the type of a dreadful creature, deformed in body and mind, cursed with inherited disease, helpless and

hopeless, bringing into the world other creatures more wretched than himself, darkening the glass of civilization with the sinister portent of his haggard face. It will appear that this product of city life in England is increasing so rapidly and becoming so threatening that national commissions are formed to consider him and how to mitigate the plague of him: and yet he increases, and yet all the excellent plans and schemes that help others and lighten other burdens never reach him nor diminish his numbers nor take from the national life the shadow of his presence. It will appear, I trust, that he is the natural and perfect product of the system of unchecked and insatiable greed, of the system of class and caste, which forms England's problem as it forms ours, and that these systems having proceeded much farther and existed much longer in England than in the United States, it is possible for us to stop now and consider whether we really wish to erect Stepneys and Clerkenwells in our own cities.

On the other hand, it will appear that in the las and newest of the countries the succeeding chapters are to deal with, so strong is the new civilization that men whose grandfathers were brown, naked savages in the woods now sit in councils, shape policies, help to further progress and decide questions of national concern, take important part in government, and discharge with serious and ready minds the full duties of a responsible citizenship. It will appear that in two generations men of this race have been found fully able to play in the world the parts played by the descendants of a line of civilized beings. And nothing else may seem stranger than this contrast between the civilized Maori of New Zealand and the reverted savage of the East End of London.

And yet it may appear that in spite of reversion here

and failure there, in spite of remedies that do not cure and efforts that do not reach the goal attempted, something is gained. From all the clashing around the world of opposing ideas and theories, for the generality of mankind something is gained, and eventually there will be the way out.

For this will seem the inevitable conclusion, that in the end, the substance of all the experiments in various countries I am to write about and of all the attacks upon the old problems is always the rise of the common people. That goes on everywhere, not always evenly nor without defeats, but in the end it goes on. The railroad schedules in Germany are prepared for the convenience of the plain people. The English coöperative movement has lessened somewhat the burden of life for the plain people. The street-car lines of London are operated to enable the plain people to get about. The Swiss railroad management plans cheap rates and excursions for third-class passengers. The constitution of Australia was devised to give the plain people adequate representation. In New Zealand the government is actively conducted by them.

These facts indicate profound changes from the former standards and ideals of civilized men. It ought to be of intense interest to all of us and something for all of us to think of, the part that we played in the early history of this movement. For most of these things have been the certain fruit of the American idea, most of these seeds we planted ourselves. The Declaration of Independence pointed toward the Australia of to-day as certainly as it pointed toward separate nationality here: and with all the other considerations that pertain to this review it may be worth while to see if having once taught to the world a great truth, we are not now in a way to become in our own turn its pupils.

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THE UPRISING OF THE MANY

CHAPTER I

THE STORY OF THE TOAD LANE WEAVERS AND THEIR LITTLE SHOP

THE greatest idea in modern English life was evolved by a handful of starving men caught like rats in one of the forlornest spots on earth.

There was a strike in the flannel-mills of Rochdale. The English flannel-weaver was, and is, wretchedly underpaid; on what he earns in a month an average family might exist normally perhaps three days. Moreover, he lives under conditions the merest glance at which crushes the most resolute optimism. The long rows of dreary caves, the dirt and squalor, the gloom without and the damp within strike chill to one's very heart. Even now, after all that has been done for it, even when work is plentiful and the mills buzz, or even in summer when occasionally the sun comes pallidly through the everlasting mists, Rochdale is a red scar across the face of civilization. In 1843, when the great strike sent idle and despairing men drifting through the frightful streets, and darkened the gloom of the November days, Rochdale must have been perdition. The inhabitant swill tell you now that the place is one hundred times better than it was in 1843. Hearing this and seeing what it is now, you marvel much at the persistence of men that stayed to fight their fight in such appalling surroundings, instead of running away.

The strike was for an increase of wages. Flannel-

mill owners were doing prodigiously well in 1843. A great boom was on in flannel; prices soared before the wind of a world-wide demand; the mill-owners got rich in a year, sometimes in a month. The weavers, living on scraps, thought the owners ought to share a part of this golden harvest. The owners, not living on scraps, regarded the suggestion as highly unreasonable and calculated to upset the foundations of society and commerce. The weavers were therefore confronted with the universal problem, and in its baldest terms. From the returns of the enterprise the mill-owners were deriving a share disproportionately large, the workers were deriving a share disproportionately small. Some men were getting too much of the fruits of the earth and some men too little; the same old story. To equalize the allotment—that was, as it is, the question. As the weavers' experience included both ends of advocated remedy—Force and Self-improvement—it may seem worth noting. Being, like the rest of us, blind, groping creatures late come from the jungle, their first impulse was toward Force, They said they would strike. At this one or two owners relented and said they would consent to a small wage increase if the other owners would do as much. The other owners, regarding existing conditions as normal and ordained, declined to do anything of the kind. Meantime the complaints grew, the distress of the weavers was obviously severe and, I suppose, rather disturbing to employers that had kindly hearts. At last the same mill-owners that had previously shown a disposition to relent now came forward and offered to make a small advance in wages with this condition, that within a certain length of time the same increase should be granted in all the other mills in the district; failing which the advance should be rescinded.

Something about this proposition struck the Lancashire intelligence as intolerable. It was like showing a bone to a starving dog and keeping it out of reach. Of course the wage advance was scorned in the mills where increased wages were regarded as attacks upon the social order, and at last the strike began.

Men do their broken weapons rather use than their bare hands. But these men had not even broken weapons; they had nothing but empty pockets, empty larders, large families and the grim prospect of defeat. They had entered upon the movement for higher wages with a compact that those that had work should contribute each twopence a week to a fund for those that should strike. But the slow, dogged resentment of the weavers had been aroused; the strikers were many, the workers few, and the twopenny contributions netted but a paltry sum. Meanwhile empty stomachs and crying children in the cheerless hovels were the strong battalions on the employers' side. The employers rubbed their hands and knew they had but to wait.

Just before the end, a little knot of the strikers came together one November afternoon, knowing very well that they were beaten, that the owners had triumphed, to talk over a hopeless situation. In this world every idea that amounts to anything has its roots in democracy. Almost every man at that meeting was a Chartist. Now Chartism was the first stirring in England of the democratic spirit. It was, in substance, a demand that the whole people should share in a government up to that time conducted solely by and for the landed classes and nobles. Vested Interests had been properly shocked by Chartism and had put it down with becoming severity, partly by representing it as disorderly, anarchistic, revolutionary,

vulgar, bad form, un-English, and not countenanced by the better classes; and partly by instigating it to riot, when an efficient police force did the rest. But while Chartism as a movement failed to reform the Government, the spirit of Chartism survived among thousands of its followers, and of the ideas it inspired one was some notion of regard for the common welfare, one was a definite conception of equality, and one was the blessing of work for the common good instead of work for selfish advantage. This meeting I am telling you about was soaked with Chartism.

The men sat down seriously to see what they could do. Force had failed, the employers had won, strikes helped nothing, solved nothing, gained nothing: so much was plain. They had struck because they were getting little, and now they were getting nothing; and meantime they had taken on a weary load of debt. The net result of their effort to better their condition was to make it infinitely worse. What then?

"There is no remedy for these things," said the Chartists, "until you get a Constitution. What working men must do is to agitate for the Charter."

Some Teetotalers were in the group, and they brought out their hobby, perennial and groomed for all seasons. What workmen needed was to sign the pledge and lay aside the part of their wages they had formerly expended in drink. Inasmuch as none of them was getting any wages, this did not promise much. The prevalent idea was that as it seemed impossible for working men to increase their income their only chance was to diminish their outgo, and as most of them, with their families, had long been accustomed to live on just enough to keep the breath in their bodies, the prospect of their living on any less was

not inspiriting. And then someone began to complain about the grasping storekeepers. The storekeepers! That was something—the corner grocery and the factory owner seemed the weaver's upper and nether millstones; he was crushed between them. How if the weaver could get his supplies without paying the storekeeper's profit, eh? How if he combined with other weavers and got his supplies at the prices the storekeeper paid, eh?

Thus the Chartists, being filled with their idea of the Common Good, the idea of democracy. That penniless and debt-ridden strikers should combine for any object requiring capital would have appealed to a race with a sense of humor as merely comic. In the whole meeting that afternoon was not enough money to buy a pound of tea. But some advantages pertain to the temperament without humor. Their enterprise might seem of colossal difficulty; it did not strike the weavers as funny. Hence it was not removed at once from the range of the possible. Besides, the Chartists, it seems, never laughed at anything but merely roared day and night for a Constitution. The twopenny strike contribution occurred to someone as a feasible basis of funds. If men could give twopence a week to help a strike, they could give twopence a week to better their condition. Twopence a week would amount to something—if long enough you continued to pile them up. So twenty-eight weavers, all Chartists or Teetotalers, formed a body with the resounding title of the Rochdale Society of Equitable Pioneers, and undertook, in a groping way, to see what could be done with twopence a week from each. A treasurer was appointed to collect and care for all this capital, and when enough had accumulated they were to see if they could not buy a little tea and salt fish and jam—on the which national dainties they

were nourished—at wholesale prices, and thus save money.

They went back to work, the twenty-eight with the rest of the beaten army of Force, and took the small wage and the hard defeat and turned in their twopence a week and waited. In December, 1844, they found they were in possession of the magnificent sum of £28 ($140), and were embarrassed to know what to do with it. In a Rochdale street that bore the inauspicious name of Toad Lane they found what was described as the most dismal building in the dismal town, an ancient warehouse of ill-favored aspect. Therein they rented a ground floor room at the rate of $50 a year, and when this had been fitted up with some rude shelving, they had £14 ($70) left to buy stock.

A little flour, a little butter, some sugar and some oatmeal, that was all they had to do business with, the beggars. A scornful tradesman in their own line subsequently announced, without much exaggeration, that he could go down there with a wheelbarrow and carry off their entire stock. They were to open the shop on the night of December 21st. When the time came they were afraid to take down the shutters. They looked over the poor little pile of things and the feeble lamp, and felt as women feel when they are about to faint. Their hearts failed them: it seemed so utterly lunatic to invite the public to come and inspect two casks of flour and a handful of oatmeal. It is recorded that they stood about shamefacedly like boys in a new school, Joseph Smith trying to get Samuel Ashworth to go out and take down the shutters, and Ashworth nominating William Cooper, or something like that. What added to the terrors of the situation, the street gamins (of whom Rochdale had,

and has, no lack) were waiting on the outside for a chance to exhibit the acrid wit that, world around, is the symbol of their kind, and a crowd of unsympathetic neighbors stood on the curb ready to jeer. No one knew better than the Equitable Pioneers that there was occasion enough for jeering; but at last one of them dashed at it, head down, tore off the shutters, and the thing was done.

I suppose it was not so awful, after all, the phalanx of gamins and neighbors. Anyway, the stock was sold, more was bought and sold in its turn, and by slowest degrees it dawned upon Toad Lane and environs that the Equitable Pioneers had an idea. At first the business of the wretched little place was no more than enough to keep it open for a short time on two evenings of the week. Presently it must be kept open three nights, then four, and then five. As fast as the profits accrued they were added to the microscopic capital, and the stock was enlarged. In the store the Equitable Pioneers worked for nothing; hence there was no clerk hire. They were fired with the zeal of propagandists; hence they were never weary in the cause. And, finally, they had something at stake besides profits; hence they were bent on bringing in all their neighbors to share the good thing.

Before they knew whether their $70 worth of flour and oatmeal would not be closed out by the sheriff, they had adopted a code of most solemn rules of business. I told you in the beginning that a sense of humor would have been fatal to the enterprise. Among the ideals to which these business men without business bound themselves were to sell always for cash, not to run into debt, to buy pure goods of the best quality, to set their faces resolutely against adulteration or trickery, to sell at current market rates, and, above all, to oppose the competitive theory of

business. They would not enter into competition with anyone. They regarded competition as immoral and the great source of the world's evil, the baleful seed from which came great fortunes and great poverty. Strange, strange people, as you shall see. Finally, they determined to devote a certain percentage of all profits to education.

The attraction for buyers at the little Toad Lane store was not the cheapened first cost of the articles sold there, but something very different. Sales were made at current prices, but every purchaser received a metal tag representing the amount of the purchase, and the promise was held out that when the store was adequately equipped these tags would be redeemed with a proportionate share in the profits. In other words, the store was to be like other stores except that the profits were to go to the purchasers instead of to the storekeeper. The power of this idea was much more tremendous than you would guess. For the first time the patient slave housewives of Toad Lane laid hold of the concept of hope. Every time they bought a pound of flour at the place called in the barbarous dialect of the region "The Owd Weavyurs' Shop," they laid by a brass tag that would some day be money. They had never before been able to save a cent; their whole weary struggle had been to make the scanty income spread wide enough to keep the family alive. They had never expected nor dreamed of anything else. And now without their volition, something had come into their lives that showed in the prospect before them a glimmering light.

Only, to get the benefits of "The Owd Weavyurs' Shop" one must join the "Society of Equitable Pioneers" and sign the rules and take out some of the capital stock, to wit, not less than £1 thereof. But this, after the trifling

initiation fee, could be paid for, in Rochdale fashion, with twopence a week; and meantime all the advantages accrued. The Equitable ship slowly gathered headway. In March, 1845, tea and tobacco were added to the stock. At the close of the year there were more than eighty members, the capital stock had grown to $905, and the weekly receipts for goods averaged more than $150. In a few more months the store was ordered to be kept open on Saturday afternoons as well as the five nights, and butcher's meat was added to the things dealt in.

The boom in the flannel business came to an end, hard times fell upon the Rochdale district, the local savings-bank failed with all its deposits, but in the shadow of the general disaster the membership of the Pioneers began rapidly to increase. For now it appeared that they alone had hit upon the device that provided a security against adversity. The Society took a lease of the whole building in Toad Lane, three floors and an attic, enlarged its trade, gradually absorbed in its lists the working population, hired clerks, began to deal in whatever its subscribers wished to buy, and spread the foundations of a great business. It had become an institution. In 1850 it had 600 members. In 1857 it had 1,850 and sold $400,000 worth of goods. But by that time its success was acknowledged everywhere, in other towns the like societies were forming, and Coöperation was successfully launched.

Not without enough of trouble. The Vested Interests took alarm, and Parliament after Parliament was petitioned to stop the thing. The ponderous remarks of the grave statesmen of the day that plainly foresaw how Coöperation meant national ruin ought to teach us all the true value of statesmanship. Further, the blunt democracy of the thing alarmed many uneasy souls; it was a kind of Chartism.

And incessantly the local shopkeepers fought the new idea. They fight it yet, by the way; for within a year an attempt to wreck Coöperation by steering it against the British income tax has been narrowly defeated. But the commonest attack was by underselling the Co-operative stores. The managers of the stores invariably remained true to the principles announced by the "Equitable Pioneers" and adopted everywhere by their imitators. They were warring against the Competitive Idea; they would not be led into Competition. They never reduced the price of any article to meet any cut made by another dealer. They never resorted to any device to gain trade, and never attempted to secure a penny of illegitimate profit. Their first object was to improve the condition of their members, not to sell goods nor to pile up profits; and price-cutting by their rivals they looked upon with a bland and amiable indifference very beautiful to see. Coöperation, by the way, seems to be an amiable business. No one seems to get angry about it, nor flurried nor worried. I would not be too sanguine, but after knocking about a great many Coöperative stores, wholesale and retail, I was obliged to admit that the people in them seem to find life comfortable and human, It seems rather foolish and somewhat Utopian, but other persons have noted the same thing; there must be something in it. Clerks in English Coöperative stores are not surly nor indifferent nor cross nor tired. They have short hours, they have a share in the profits, mostly they are members of the Society, and have a childlike faith in Coöperation as a kind of religion. Strange people, as I said before. There are among them astonishingly good talkers about Coöperation and conditions. I know one of them that goes out almost every night and lectures on

these subjects. For nothing, the foolish young person. He sells groceries in the daytime.

There are no strikes in Coöperative stores and Co-operative factories, no lockouts, no walking-delegates, no disputes between Labor and Capital, no rows, no riots, no police, no militia, no appeals to the governor, no arbitration boards. Whatever a Coöperative society is to do is determined by all its members in a meeting in which all have a vote and an equal right to be heard. And yet, contrary to all our prejudices concerning many men and minds, no other business enterprise has grown so rapidly and so peacefully.

CHAPTER II

THE GROWTH OF A SOCIAL REVOLUTION AND THE OBSTACLES IT MET

THE Equitable Pioneers and their imitators and followers went forward steadily, year after year, establishing new societies and attaining a larger measure of success. They had much to contend against: intense prejudice, the fondness for old forms and methods always strongly rooted in England, the eternal proneness of the Englishman to jaw about politics and religion, the whole tremendous reactionary power of the caste system. The Pioneers themselves went near to wreck by reason of one of their collateral ventures. An affiliated society, in which they had at first only the concern of brotherhood, undertook to direct a Coöperative flourmill in Rochdale, and the Pioneers helped them with loans. Through bad management and ignorance the mill fared exceedingly ill. The losses became great, the enterprise seemed to go from bad to worse, and all commercial wisdom indicated that the Pioneers should draw out and let the thing sink. Not being commercial they turned in, worked with prodigious zeal and patience, put their brothers' mill in good condition and made it profitable. A thousand difficulties arose that no one had foreseen, complications about the territories of adjacent societies, about buying and selling, about new enterprises and extensions. These plain men from the mills, unaided by any superior intelligences or gifted beings, solved all such problems successfully.

None of the "better classes" ever gave them a word of encouragement or of advice or of suggestion, but thus unaided and unguided they spread Coöperation over all Great Britain. In a few years it crossed to the Continent and took root there, often with astonishing results. The idea of a business managed by and solely for the benefit of a community had in it a vital principle. The Rochdale plan was often modified or improved, but in general it was imitated: sales for cash at current rates, certificates of sales to members, a division of profits, and democratic management by the vote of the whole body. In France are now about 8,000 Coöperative societies, 250 Coöperative workshops, and more than 800,000 members of the agricultural societies alone. Germany has about 20,000 Coöperative societies of all kinds and 700 Coöperative dairies. Austria has 7,600 societies; Switzerland, 3,500 with 150,000 members; Holland, 1,152 societies; Italy, 3,000; Sweden, 1,800; Servia, 731; Spain, 300. One Coöperative society in Bâle, Switzerland, has 20,000 members. In Belgium a society in Ghent has 17,000 members, one in Brussels has 20,000, and the Coöperative movement has taken on political aspects likely to be of grave and historic importance to the kingdom.

As to Great Britain, nothing else devised by philanthropist or statesman to meet the hard terms of the problem there has been of such enormous benefit to the working people. In certain ways and up to a certain limit it has transformed life for them. Often it has made just the difference between hope and despair. Moreover, it has been of incalculable social as well as economic significance. The store has been everywhere a meeting-place where the members came together, discussed ways of improvement, learned something worth while, and felt for the first time

the democratic inspiration. The great impulse of a common cause and a high aim has been a boon to minds and morals. It has inculcated thrift, it has tended to break down a little the iron barriers of caste, it has produced better homes, greater comfort, and happier lives. After careful and deliberate inspection of the home life of Coöperators and of non-coöperators in about the same circumstances, there is no shadow of doubt left for me of the genuine blessing of Coöperation.

Perhaps it is because there has been no conspicuous figure in this vast revolution and no chance for hero-worship that these great changes have been imperfectly celebrated to the world; but surely even the commercial triumphs of our greatest corporation look small compared with these achievements. Unled and undirected the Coöperators have entered upon manufacturing and wholesaling until they see the time at hand when they shall be independent of all sources of staple supply except their own. Even now they have eliminated the middle-man; their great Coöperative wholesale stores are stocked with almost every considerable commodity in which they deal. Signs of Coöperative industry obtrude upon your notice everywhere. Coöperative printing, Coöperative banking, Coöperative building, Coöperative insurance, Coöperative farming, Coöperative manufacturing, supplement the activities of the great Coöperative stores you observe wherever you travel. Coöperative newspapers are published in the interest of the Coöperative cause. Coöperative thinkers write books and address great congresses of Coöperative delegates. The original idea of supplying a few staples of household consumption has been as far outgrown as that wretched one-dollar-a-week room in dismal Toad Lane. Every article used or

consumed by man can now be obtained in England on the Coöperative principle. Lately looking over a catalogue of one of the vast Coöperative stores of London, I noticed, among the supplies to be had there, funerals at many different prices, according to the style of the hearse and the number of the carriages; houses, furnished and unfurnished; automobiles, plows, Chinese carvings, sharks' teeth for decorative purposes, jams, jellies, and preserves, chewing-gum, violinists, piano-players, orchestras, brass bands, monologists, concerts and concertinas, evening-suits, and stuffed birds. These are mere samples noted in idly turning the leaves of the ponderous volume. They will furnish anything, these stores, anything bought and sold by men from Nova Zembla to the line, and farther. I asked one manager what was the strangest order he had ever received. He said it was an order for a pint of fleas. His store filled it. In a bottle—corked. An army officer gave the order. Fleas, I need hardly say, are not exactly an article of commerce, and are not likely to be quoted in any catalogue. In this case their mission may be said to have been altruistic, not commercial. The officer wished to enliven a fellow officer by turning them loose in his bed.

As examples of successful coöperating I may cite the extensive boot and shoe factory that travelers can hardly fail to notice on the Midland Railroad near Leicester, and the Coöperative printing plants in Manchester and in Tudor Street, London. The Manchester plant is a monstrous thing, covering a space about half as large as a New York City block, and said to be the largest and best printing establishment in Great Britain. Like the business of the Pioneers it has been built from the smallest beginnings. Whoever cares to see what the Coöperative wholesale stores are like can find them in all large English

cities and conspicuously in Manchester, Newcastle, and in Leman Street, London, E. C. One odd feature about these vast establishments I should note here: the buildings are always left unfinished. I mean provision has been made at the side or in the rear, or somewhere, for the additions that experience has taught will soon be demanded. Another is the excellent architecture, and another, still more remarkable, is the prevailing cleanliness, neatness, and good order of everything.

Sometimes, of course, Coöperation has failed in England; sometimes it has blundered, and sometimes the power of Vested Interests and the Competitive Idea have prevailed upon it. One danger to which it has been, and may yet be, exposed is to be seen in a little chapter of this story, that I may as well relate here.

What are called Civil Servants in England, that is, persons that work for the Government departments, such as post-office clerks and so on, form a class by themselves because they are never dismissed and seldom promoted, and when a young man enters the service, normally his path is fixed for life. The pay of the Civil Servants is small, but some distinction goes with the work —and in England chances for distinction are few. About fifty years ago a dozen or so Civil Service men were living in one short street in London, and it occurred to some of them that they might save a few shillings if they were to combine to buy a chest of tea instead of buying at retail prices for several consumption. They subscribed to a little fund, got their tea, and found that it was not only cheaper but better, and naturally proceeded to get other things in the same way. They let their fellow clerks into the plan, and presently, like the Rochdale Pioneers, they found themselves obliged to rent a store. But

observe what followed. At Rochdale the inspiration of the poor weavers had been the bettering of the condition of their kind. In the case of the Civil Servants, they being of a higher caste, the inspiration was quite different. The plan became an enormous success; great warehouses were built in different parts of London; the business went into every department of retail trade. And then Capital descended upon it, the thing became a mere Stock Company, the Coöperative feature dwindled to a name, and the profits designed to smooth the paths of housewives were turned into dividends. The supporters of Coöperation as a social principle seem confident that the capture of the Civil Service venture could not be repeated now in the case of any other important Coöperative enterprise. Perhaps not. Certainly it would be a difficult task to capture, divert, or engulf the whole movement. You can't very well buy or bribe or bully a million people. But I know of nothing more interesting than the contest that must be not far off. In England the growing force of Concentrated Capital and the growing force of Coöperation are like two fast trains trying to pass on a single track. One or the other seems certain to be smashed.

CHAPTER III

THE MAN WITH THE BIG HEAD AND THE BIG HEART, AND WHAT HE ACCOMPLISHED

AS a fair example of the practical working of the Coöperative associations that from the Rochdale seed have overrun England, I like the Royal Arsenal Society at Woolwich. In all such institutions the success is due to men imbued and inspired with this idea of the Common Good, men to whom fraternity and a broad beneficence are a religion. And incidentally, I am obliged to admit that to mingle observantly among the Coöperators of England is an experience that shames cynicism. After all, I am not so sure that selfish aggrandizement and the thirst for private gain are the strongest motives in human life. I know we have always been so taught, but I am not quite sure of it. This story is full of instances of men that worked just as hard for the common cause as other men work for their own fortunes. I know the thing seems most improbable, but I have seen it. When the Pioneers were struggling to hold up the Rochdale flour-mill, which was hardly a concern of theirs, one of them, Abraham Greenwood, wrecked his health and nearly lost his life by his toil in a cause that had nothing to offer him, not even a little distinction. The death of Thomas Blandford, one of the Pioneer friends of the Coöperative workshop, was due directly to his gratuitous labors for his favorite project. I know managers of Coöperative societies and stores that work for a fraction

of the income they could command elsewhere, and do it for the sheer love of the work.

Such a man fifty years ago was a laborer in the Royal Arsenal shops at Woolwich, Alexander McLeod, one of those serious-minded Scotchmen with big, plain faces, fringes of beard under their chins, and piety in their hearts. This man used to sit up of nights to read what he could find about economic conditions—which were hard for toilers in the Royal Arsenal as elsewhere in England. I assume that you have never been in Woolwich. It is a dismal spot whose one glory is that, bad as it is, it is not so bad as its neighbor, Deptford; an assertion that no visitor to Deptford will wish to deny. The workmen in McLeod's time had long hours and small pay, and their economical diet of tea, salt fish, and jam was neither fortifying nor conducive to joy. So McLeod read anything he could find that promised to throw light on this ancient problem of life for the men that toil with their hands, which is to say for the overwhelming majority of mankind; for while those who do not work make a loud noise and the workers are mostly unheard, the workers outnumber the others about twenty to one. Among the things that McLeod read was an account of the Equitable Pioneers. At once the Scotch mind gripped the idea involved, and McLeod undertook to establish Coöperation in the Royal Arsenal shops. He was the organizer, treasurer, general manager, and life of the whole project. He worked in the shops by day, and by night he hammered Coöperation into the heads of the men about him until he had his enterprise started. He was a big man with a big head, a big will, a big, square chin, and square shoulders, and he lifted the Royal Arsenal Coöperative Society with his two hands. When they got their little

store-room he was the salesman. He used to sell goods one night in the week, talk against the Competitive Idea the other nights, and the only compensation he got was the satisfaction that comes from good work well done. McLeod toiled on for many years before he drew from his labor anything but such unmerchantable returns. When he was an old man the Society made him a manager with about such a salary as he could earn in the shops. You can see a statue of him now on the front of the great Coöperative Stores in Woolwich, for he is dead and gone to his reward. About 40,000 men, women, and children look up at that statue and call him blessed, because his unselfish labors lightened life for everyone of them.

Practically the entire working force of the Royal Arsenal shops is now included in the Coöperative Society he founded on November 8, 1868. It is not easy to convey any adequate idea of the enormous and beneficent operations of this institution. I will furnish here a few details as mere indices. There is, first, the great Central Stores at Woolwich, a handsome new brick structure, very like a New York or Chicago department store and dealing in about the same commodities. Then in this town of Woolwich, or immediately about it, are ten branch stores to supply local demand. These are some of the departments in the Central Stores: Groceries, Green Groceries, Bakery, Butchery, Drapery, Tailoring, Hardware, Confectionery, Shoemaking, Coal, Dairy Products. In the six months ending January 14, 1905, the Central Stores did a business of $429,570, about the rate of a million dollars a year; and there are 40,000 inhabitants in Woolwich. The business at the branch stores varied from $40,000 to $420,000 a year each. The Central Stores baked in 1904, 4,486,078 loaves of a superior quality of

bread, which not only represented profit to the purchasers, but hygiene; since probably no other article of food known to man is so full of complicated horrors as ordinary English bread. The thoughtful should not overlook the fact that every year a larger proportion of the articles sold comes from Coöperative sources. From such sources in the last six months of 1904 came one-half of the groceries, forty-four per cent. of the shoes, forty-four per cent. of the hardware, twenty-two per cent. of the drapery. What does that mean? Well, it means that the Coöperative movement is steadily going forward to a point where, if it be not checked or diverted, it will absorb and dominate productive industry in England. The Coöperative bond is of perdurable strength. Co-operators buy of coöperators always, if they can; retailers of wholesalers, wholesalers of manufacturers, and day by day as these increase and multiply the whole supply system of Great Britain undergoes such changes that one contemplating them does not think extravagant the prediction of East-End orators that in a comparatively few years private enterprises in common staples will have ceased, and the mass of British society will be reorganized on the Coöperative principle.

Consider how the membership has grown in this typical society of Woolwich from 47 in 1869, 1,579 in 1879, 6,721 in 1889, to 24,120 in 1904. Consider how its capital has grown from $135 in 1869 to $1,761,495 in 1904. Consider how its sales have grown from $2,220 in 1869 to $2,399,000 in 1904, with a steadily growing reserve fund, with dividends to members of a shilling and seven pence half penny in the pound, with profit-sharing for the 949 employees, with an educational fund that keeps pace with the reserve, with voluntary gifts from the Society's fund to

hospitals and philanthropic enterprises, with an insurance fund well started, with new stores, new branches, new stables, with extensions and enlargement always in progress. And all this the record of one society in one town of 40,000 inhabitants. Is not this a tremendous force to loose in any country?

And yet there is more of it, even in Woolwich. The Society has loftier aims and better results than the saving of money for its members. It exists primarily to make life better. It has taken an old church on the hill, the only sightly spot in Woolwich, and refitted it for a lecture-hall and reading-room, and there it provides from its funds a regular series of lectures. In many ways it cares systematically for the education and mental welfare of its members, but the greatest good it has accomplished is in home-building, the greatest boon and, on the whole, the most needed. Not to put too fine a point upon it, the average English working man's home, unimproved by Coöperation, is a dreadful place, cursed in about equal proportions by poverty, poor construction, and greedy landlordism. That great evil the Woolwich Coöperative Society is remedying for its members. It seized a favorable opportunity to buy a tract of outlying property, called the Bostall Estate, on which it has built and sold or leased 491 houses for working men. Not the pasteboard things familiar in our American "model towns," where the roofs come unglued in the first rain and door-knobs drop off with their own weight, but substantial dwellings both handsome and convenient, built for light, air, and comfort. The Society's object is to help its members to own their homes—a startling innovation for English working men. To this end it gets for them money on very low interest, if they wish to build; or it sells to them

its own houses on easy terms. Besides the 491 houses I have mentioned, the Society has built eighty-two others that it rents, and is now building more of both classes. The contrast between life on the Bostall Estate and life in the old grimy and mephitic tenements wherein the workmen used to live is calculated to make one whoop for joy. Bostall lies on a hill, there is plenty of air and light, the houses are separate, clean, sanitary, and dry. In them there is some chance to rear human beings. The tenements were fitted only to raise wild beasts.

This is what Coöperation is doing in England. You can see it would take a book to give an adequate idea of the extent and variety of its operations or of the vast and subtle changes it is working. I can here do no more than to offer a glimpse at a peaceful revolution. More than 2,200,000 persons are members of the 1,637* British Coöperative Societies (exclusive of agricultural). Already about one-fifth the population of England and Scotland is reached by Coöperative enterprises. The present capital (again excluding the Agricultural Societies) is $140,624,130, and the total reserve fund $12,000,000. Daily the movement increases in membership and strength, and daily its benefits to a certain class appear in surer light. What may come of it, who can guess? Observe these Coöperators well. They do not believe in war, they do not believe in competition, they do not believe that life is a battlefield with mankind turned loose upon it to slay and plunder. Good-will, tolerance, brotherhood, are the moral foundations of their faith and have been from the first. Something about their creed must be infectious. All Coöperators seem to have a feeling

*This is the number of societies enrolled in the Coöperative Union. Outside of the Union are about 300 additional societies.

of sincere good-will for all other Coöperators around the world. They are a very strange people. They believe that Coöperation will work to destroy race prejudice, break down national barriers, obliterate armaments, and bring about the universal peace. The existence of a great and increasing league, slowly driving a democratic wedge into caste-ridden England, slowly spreading the idea that to live yourself it is not necessary to stamp upon your neighbor's neck, ought to have more attention. It seems to portend much. Already its leaders declare that it has solved the Trust problem for England. Trusts can never amount to much in a country where the sources of supply are in the hands of the people and where their management is directed solely by popular vote and for the Common Good. Yes, a strange, strange people. Some of them assert from their own observation that as soon as men are released from the Competitive Idea they become decent, kindly, tolerant, and unselfish. They say it is the Competitive Idea that makes of men the cruel devils of the money mart. They even say that about the idea of the Common Good and working for it is something that tends to make life infinitely better, sweeter and more attractive. Ridiculous, isn't it?

And yet while Coöperation has brought some measure of light and hope to millions of lives in England, while it has done incalculable good and may be destined to the working of great and historic progress in the most reactionary and feudal of nations, for the greatest problem of the day it is a palpable failure, for the world's disease it seems no cure at all. The slums grow in spite of Cooperation, the slums and Mayfair, Whitechapel and Park Lane. The enormous estates are no smaller; the great fortunes gather their increment; surplusage and deficiency,

waste and want are exactly as before. Still unchecked in any way, Greed accumulutes and Penury gnaws crusts and remainder old bones. In London are 129,000 registered paupers. What is Coöperation to them? There are 1,500,000 persons that are practically starving. What is Coöperation to them? There is a vast population that crawls about in subcellars and filth and misery unutterable. What is Coöperation to these? In every English city, one-fifth of the inhabitants never know what it is to have enough to eat, never sleep in a decent bed, never know health nor decency nor comfort. What is Coöperation to them? Coöperation! They have nothing to buy; they have nothing to save. While the Coöperators increase in numbers, steadily increase also the ranks of the paupers, the starving, the degenerate, the brutish, the prowling and slinking creatures of the East End. Are these the poor we are to have with us always? Not at all, not at all. They are the awful menace and the awful retribution of a system of civilization that has in it something radically wrong. Wise men in England are under no hallucination as to the meaning of the gaunt, sickly forms that herd and doze about the greasy arches of Whitechapel; and Royal Commissions, appalled at the statistics of the increasing ratios of pauperism, insanity, and disease, are laboriously trying to find a remedy for a monstrous and sinister evil against which Coöperation avails nothing.

For the truth is that, compared with the real disease that drags down England and threatens every other nation, Coöperation works to save only those that are already saved.

CHAPTER IV

COÖPERATIVE EXPERIMENTS IN AMERICA

SUCH has been the history and marvelous growth in Europe of the idea of fraternal union as a defense against the oppressions of the Competitive Idea. It would be strange if we in America were not affected by a movement so profound and general; but the story of Coöperation in America is very different. In our country it has been so strangely subject to advance and retreat that, looked at from the Rochdale point of view and compared with that substantial and overshadowing success in Great Britain, the net results so far seem disappointing. I suppose there are reasons enough for the repeated failures, but none of them seems very satisfactory. The average man would balk at the problem of why wholesale dealers in America should refuse to sell to Coöperative Societies when wholesale dealers in Great Britain have not assumed any such attitude, or why, as one American coöperator insists, jealousies and bickerings have always arisen to overthrow the project here.

Yet in some lines of coöperative effort this country leads the world: and there, again, is another strange fact. We have developed coöperative loan enterprises beyond all precedent: we have 5,402 such societies with 1,800,000 members and $330,000,000 of extant business. And we have 3,800 coöperative insurance societies with more than 8,000,000 members and more than $100,000,000 of annual premium receipts representing more than

$13,000,000,000 of insurance. These enterprises bear no very close relation to the Rochdale idea and have no particular bearing on the basic problem, which is the equalizing of conditions; but they show what can be done and emphasize the wonder of the small showing in other directions.

Nevertheless Coöperation, in shape of a modified form of Fourierism, had a foothold in America before it was known in Great Britain. Brook Farm, in which Hawthorne, Ripley, Dana and other American literary men were interested, began in 1842; and the New England Association of Mechanics and Workmen was at work in 1844 buying household supplies and dividing them among its members. Its first operations were with "a box of soap and a half box of tea," according to one of its founders, and the next year it had done so well it had a stocked store. The Workmen's Protective Union, afterwards called the New England Protective Union, was organized in 1847 and by 1850 had 106 local divisions. Eighty-three of these divisions had a total membership of 5,109 with annual sales of about $700,000. The Union operated stores wherever it had local divisions, sold goods to stockholders for cash and as near as possible at cost, and sometimes declared dividends of six per cent. At first the thing spread with unexampled rapidity. By 1852 there had been organized 403 local divisions. Then the original association split and the American Protective Union was organized to carry the scheme through other States until New York, Ohio, Illinois and the West generally were embraced and there were branches in Canada, New Brunswick and even one in Oregon. Then came the Civil War and in a breath all these things seem to have melted away, the Unions went to pieces, sometimes the

shareholders became responsible for liabilities they could ill afford to pay, and an undeserved discredit fell upon a worthy invention. Some valuable lessons had been learned (if there had only been pupils), for these two Unions brought trouble upon themselves by departing from the Rochdale principle of cash sales, by entering upon forbidden and always evil competition, and by employing incapable or dishonest managers. With the fall of the two Unions the Rochdale idea of coöperation distribution and production suffered a heavy blow in America, and can hardly be said to have recovered even now.

A purely Rochdale enterprise, the Sovereigns of Industry, was organized in 1874 at Springfield, Mass., and limited in its membership to persons engaged in industrial pursuits. In this case the difficulty about obtaining capital was avoided by appointing agents to buy at wholesale rates only such goods as the members had previously deposited money for. The days of the Sovereigns were few and full of trouble. They early encountered the opposition of the wholesalers and in the end went down before it—and some other things. The wholesale houses refused to sell to them, but they found a miller in Michigan that for a time was willing to sell them flour in 100 barrel lots. Then the coal-dealers refused to sell them coal; but a man in Hudson, N. Y., supplied them with coal at $7 a ton, and thereby they compelled the local dealers to lower the retail price from $10 to $7. But to get other things remained extremely difficult. Customers of the Sovereigns used to take home their purchases under their arms or on their shoulders. From the Springfield store eighteen tubs of butter, it is recorded, were thus taken away in one evening.

To join the Sovereigns cost $2 for men and $1 for wo-

men, with monthly dues of fifty cents for men and twenty-five cents for women. The Springfield store flourished for a time and once rose to the high-water mark of 7 per cent. dividends; but the wholesale trouble still affected it and the rival storekeepers hit upon the plan of cutting the price of one staple article far under the Sovereigns' figures and thus diverting trade. Branches had been established in many New England towns, but the Sovereigns fared ill on the whole, and in five or six years their enterprise dried up and blew away. Then, at the Springfield store, the singular fact was discovered that many thousands of dollars' worth of goods had been sold on credit and never paid for.

Two Rochdale enterprises in America fell under my own observation. One was in a manufacturing town in Vermont, the other in Colorado. In the Vermont town the proprietors of the chief manufacturing establishment also conducted one of those genial institutions known as a "Company store." Persons that bought goods elsewhere than at the "Company store" naturally found prepared for them certain difficulties in securing or retaining the favor of their employers. I put the case diplomatically for I would fain not arouse the sensitive local mind, but workmen will understand what I mean. Let us say merely that the soil was not healthy there for the Coöperation plant and it withered away. In Colorado the coöperators ran promptly against the problem of supplies from the wholesalers. For a time they managed to do business by having goods ordered under and sent to fictitious addresses, but the wholesalers soon penetrated these disguises, and cut off the sales. So here again Coöperation came to a halt. But that was nothing for Colorado. The wonder is that the coöperators were

allowed to exist at all. In another Governor's time they would probably have been escorted to the frontier and driven beyond the borders of the state.

These are typical stories and not very radiant. From time to time Rochdale has been revived in America but not often with impressive success. No doubt conditions here are different; in America we have not as yet the same terrible misery to drive men into compact and durable association; the pit towards which we are walking downward is not yet clear enough; and for the ethical and social benefits of Coöperation men have not so far had time to think. Yet to-day in Utah are eighty-seven cooperative distribution societies and in California sixty; and elsewhere are signs that the excellent principle of united effort may soon enter upon another and very likely its most notable revival. In San Francisco before the earthquake the coöperators had a large wholesale store doing a good business. At Lawrence, Mass., the flourishing Arlington Store Society, an admirably conducted Rochdale venture, has 4,360 members and does an annual business of more than $500,000, and at Lewiston, Maine, is a store managed on lines of modified coöperation with annual sales of more than $600,000. Through the country the coöperative stores number about 250 with 60,000 or more members and $7,000,000 of annual business; a showing that looks small compared with the gigantic operations of the British societies. But with the development of the Coöperative Association of America, a new enterprise managed by men like Frank Parsons, B. O. Flower, Charles E. Lund and other advanced thinkers, there is likely to be in the next few years a new and very different story to tell of Coöperation in America.

Coöperative production has already made a different

story, although even that is flecked with enough of failures. The first of these was the Tailors' Association of Boston that began in 1849 with $50 shares, flourished for a few years and went the old way to dissolution. It was followed (mostly in Massachusetts) by a long and inglorious procession of coöperative experiments in almost every branch of industry, coöperative foundries, stove works, pottery and tile works, furniture making, planing mills, carpentering, clothing factories, nail mills, publishing companies, shoe factories, soap works, tobacco factories, mining enterprises. None of these attained to enduring success enough to write about and none of them stemmed permanently the tide of industrial concentration and oppression that capital had set running. But one example of industrial coöperation elsewhere did much better and for many years the coöperating coopers of Minneapolis were a conspicuous instance of the possibilities of the coöperative principle.

Minneapolis is, as you know, almost incomparably the chief city of the world for flour-milling. Flour-making means a demand for barrels. So far back as 1868 in Minneapolis four journeymen coopers had formed a coöperative society, steadily enlarged as the milling interests increased. In 1874, when the flour output was about 500,000 barrels a year, so many coopers had come to town that the Coöperative Barrel Manufacturing Company was formed and twelve years afterwards two-thirds of all barrels made in Minneapolis were made in coöperative shops. And then somehow the thing began to decline. Of seven great coöperative shops existing in 1886 only three survive. Changes in the methods of barrel making had much to do with the decay of what was undoubtedly a most beneficent project. Machinery was introduced that practically eliminated the skill of the old

time cooper. In one shop the new heading and hooping machines left only six men of thirty-two that had been employed. Boys and untaught young men can run the machines: the old trained cooper is no longer needed. In 1903 the coöperative societies opposed an eight-hour movement and probably that did them no good. The total membership in 1886 was 324 and now it is about 140. Of late there has been talk of reviving the coöperative idea and taking in the men employed on the machines, for the substantial benefits of the project were undeniable; the men received for their work a share of the proceeds that was more nearly fair than they could ever receive under the abominable wage system, and the sense of a common interest and common cause bred in them, as it always breeds everywhere, a fine spirit. I suppose we have not had in America a body of workmen more intelligent than the coöperating coopers of Minneapolis.

In other lines of productive effort Coöperation has often achieved notable success. The coöperative creamery, for instance, has been a boon to millions of farmers. Of such creameries in the United States there are about 3,800 with a membership in their associations of more than 300,000 and an annual product worth more than $80,000,000. In Minnesota six-sevenths of all the creameries are coöperative; six hundred have been organized in the last ten years with a membership of 50,000. The idea is steadily gaining; it is very strong in all the Western states and even in Massachusetts twenty-eight of fifty creameries are coöperative. In the operation of these societies there has been almost uniform success.

The farmers, indeed, have done far more than the workingmen to show the benefits of union. There are in the United States about 4,000 farmers' purchasing and

distributing societies with 500,000 members. Fruit growers' associations have been formed in nine states and have now more than 100,000 members. The Southern California Fruit Exchange, organized in 1891, handles more than half the orange business in California. It has seventy associations with 4,000 members. One-third of all the fruit grown in California is now handled coöperatively.

There are also coöperative bee-keepers, coöperative sheep herders, coöperative poultry raisers, cattle-breeders, wool-growers, cotton-growers and milk-dealers. And in six states are flourishing coöperative grain elevators.

One of these at Solomon, Kansas, has a story worth telling. Throughout the West the farmer is bled chiefly by two insatiable oppressions, the railroad and the Elevator Trust. These two naturally work together, having a common business and being often owned or controlled by the same men. Incidentally, the curious intermingling of ownership among the railroads, banks, trust companies, the Beef Trust, the Oil Trust, the Elevator Trust, street-car lines, telegraph companies and other public-service corporations is one of the most significant phases of our industrial development; but I have no space here to go into it. Most of these agencies combine to rob the farmer, who is wholly at the mercy of the local railroad, the local bank and the local elevator, and it is this continual robbing that has kept him poor. Sometimes he wearies of being robbed and hunts for a weapon of defense. At Solomon were about fifty farmers thus wearied and they united to build a coöperative elevator and thus escape the clutches of at least one of their robbers.

To the railroad and the Elevator Trust, working hand in hand, this revolt seemed something for humor. They

had seen many such movements and had shortly afterward assisted cheerily at their obsequies. But sometimes the selected victim does not really care for a funeral and that was the case at Solomon. No sooner was the farmers' coöperative elevator ready for business than the Elevator Trust started in to crush it in the good old way by putting up the buying price of grain to figures that it was certain the coöperators could never reach. This, of course, was the most familiar of trust tricks, the idea being to crush out competition and then resume the looting.

"Fine!" said the coöperating farmers, and immediattely sold all their grain at the high prices to the Trust. But they also had an arrangement by which they paid into the coöperative fund one cent a bushel for all the grain sold elsewhere than at their own elevator. And this one cent a bushel was enough to pay all the expenses of their elevator and a good profit besides. So their elevator stood there and without effort robbed the robber. After a time the Trust discovered that its efforts to crush the rebellion only swelled the rebel treasury and it desisted from the fight. At an earlier period in our history it might have retaliated by doubling the freight rates on the rebels' grain or perhaps by hamstringing the rebels' horses, but those good old days have largely passed in this country. So the rebels have their own way at Solomon and their example is being followed at other places. Of course that is the penalty of allowing a rebellion to be successful. If one man insists that it is not necessary to be robbed you never can tell how widely that heresy may spread.

Of coöperative insurance companies we have about 3,800, including mutual life, fire, hail and live-stock insurance. Three thousand of these are among the farmers with a total membership of 2,700,000 and total risks

reaching the amazing sum of $3,000,000,000. Premiums among the farmers' coöperative insurance companies average twenty-four cents for each $100 of insurance against an average among all companies, as reported by the United States census, of $1 for every $100 of insurance.

In Michigan, Iowa, Indiana, Kansas, Nebraska, Minnesota, Wisconsin and the Dakotas farmers' coöperative telephone companies have had a phenomenal growth and have effected in some degree a transformation of rural life. The number of farmers that by these associations are supplied with a cheap and efficient telephone service is large, and this phase of the coöperative movement spreads so rapidly that it can hardly be accurately reported.

One instance of its effectiveness ought to be told here because it reveals in startling fashion the extent to which we are preyed upon by our watered-stock corporations and revered kings of finance.

At Grand Rapids, Wis., in 1897, the Bell Telephone Company was charging $36 a year for residence and $48 for business house service, and refused to reduce these rates. A coöperative company was formed and found that it could put in individual metallic circuits to each subscriber, render a good instead of a bad service and make money on such charges as $12 a year for residences and $27 a year for business houses. It is now in wholly successful operation at these rates—and lower. For each subscriber is entitled to one $50 share of stock for each telephone he rents. No stock is sold except to renters, and only one share for each telephone. A monthly dividend of one per cent. is paid on each share, making the real rates to coöperators $6 a year for residence and $21 for business. There are 434 exchange lines, and the average cost of operation is less than $8 per telephone per

year. This is about as cheap telephoning as there is anywhere in the world and utterly destroys the argument of the telephone companies that the ordinary rates in America are higher than in other countries because of the comparatively greater cost of labor here. I do not believe that telephone operators abroad get much smaller wages than telephone operators here. I do not see how they could.

Coöperative distribution, to return to pure Rochdale, has lately been revived in America through the well-considered efforts of the Coöperative Association of America, and still more recently through the Golden Rule Fraternity. The Coöperative Association began in Lewiston, Me., in 1900 as "A Trust for the People." It has utilized the ordinary trust machinery towards communal good instead of personal profit. There is a holding company called "The Co-Workers Fraternity" and this owns a controlling interest in the stock of the Coöperative Association of America, in the National Production Company of New Jersey, in the Massachusetts Coöperative Society, and is to own a similar control in the other coöperative societies now being formed. On this modern and comprehensive basis coöperation is being reformed and reorganized in America. Its pitfalls hitherto have been chiefly those of management. On the new plan of organization these should be avoided.

That department store at Lewiston I spoke of a few pages back is one of the enterprises of the Coöperative Association of America. The entire force employed therein, from apprentices to managers, is included in the association and everyone has in the management a vote equal to that of the owners. The owners reserve a right of veto, but have never used it. The salesgirls get com-

missions on their sales and the other employees that do not make sales have profit-sharing certificates entitling them to a part of the proceeds of the enterprise as well as a voice in its management. A club house, a luncheon room, a library, music and gymnasium classes, basket ball, dances and entertainments are provided. An arbitration committee straightens out the difficulties and hears the complaints of the employees. Complaints do not seem to be numerous, four years having produced but 140 matters for the arbitration committee to settle. The enterprise also conducts a coöperative medical service, a coöperative bank, coöperative insurance and a coöperative newspaper. Observers generally agree that here appears to be a substantial and enduring success and an excellent illustration of the advantages of the coöperative principle.

The revived prospects of Coöperation in America are due chiefly to the altruistic efforts of a certain band of thoughtful men and women that believe this to be the first step towards a cure of the national evils. Some at least of these thinkers with whom I have talked believe that it is useless to look for relief to any political activity. Partisan politics and the partisan feeling have, in their judgment, so distorted and obsessed men's minds that we can never expect to have a clean-cut verdict on any question of national policy. They believe that the way to suppress greed and protect the unfortunate is to establish communal systems of commerce in which the interest and rewards of all persons shall be substantially the same and therefore none shall have too much and none too little. They believe there are nobler objects of human life than aggrandizement and the way to show such objects is to

close up the ordinary avenues of gain and secure in a practical way a more even distribution of the fruits of industry. Their experiments along this line have but begun. For many reasons they will be worth the observing.

Courtesy of Everybody's Magazine

INTERIOR OF WHOLESALE COÖPERATIVE STORES, MANCHESTER

Courtesy of Everybody's Magazine

INTERIOR OF COÖPERATIVE PRINTING WORKS, MANCHESTER

THE SWARMING MASSES OF THE EAST END OF LONDON

It is to relieve this congestion that the London County Council will spend many millions of dollars, in building dwellings. This is Wentworth Street in the Whitechapel region

CHAPTER V

THE REMEDY CALLED "MUNICIPAL TRADING" AND HOW THAT WORKS

AT MILLBANK, London, on the Middlesex side of the Thames, half a mile above the Parliament Buildings, is a group of substantial flat-houses built and owned by the London County Council. The architecture is good, air and light are provided for, the courts between are paved with asphalt, everything is clean, well-ordered, quiet, eminently respectable. In front is a little strip of park where the children play. At noon of Sunday, July 2, 1905, there came through one of the asphalt courts a young man, a little boy, and a young woman carrying a baby. They were dreadful to look upon, all of them clothed in dropping rags, emaciated, tallowy, and unclean. The woman had a vacant face and next to no chin; the man had sloping shoulders, one higher than the other, and stooped. The boy reproduced and exaggerated the physical defects of the man and the woman. The man slowly led the way down the court, singing. I have never known a thing more grotesque and horrible. He was singing Charles Wesley's hymn, not to that inappropriate air of Abt's to which it is usually sung in America, but to the tune used in the churches of England. It was not that his voice was feeble, or wailing, or pathetic. What struck every attentive listener with a kind of horror was that this hoarse wail did not sound like the voice of a human being.

"*Other refuge have I none*—" he sang, and then there was a long pause.

"*Hangs my helpless soul on Thee*—" A long pause.

"*Leave, O, leave me not alone*—" Another pause.

They walked very slowly down the court and looked up at the windows. Two or three were opened and some halfpence were thrown out, perhaps five. And thus, singing in this frightful fashion, they took their rags and their misery out of sight.

They were the problem of London, those four, and they stood before the best answer that London has yet been able to make. It was for them that the flat-houses had been built, the courts paved, the doorways brightened, the sanitation perfected, the little park set with green, the millions of dollars expended—all for them. And they stood and sang in rags before the answer to the problem presented by their own existence, and from it men threw them halfpence.

The London County Council had built those flats to provide house-room for the increasing hordes of the poverty-stricken whose bony fingers are pointed in London's face. It had built many other houses, the County Council, for the same purpose and had done many other things. It had taken an active and leading part in one of the most extraordinary movements in history, a movement that had swept over Great Britain and all the continent of Europe and revolutionized manners and life wherever it went. In the course of this movement the whole accepted idea of personal ownership seemed threatened with overturning by a strange tendency toward a community of property the like of which the world had never seen. And at the bottom of all was this same impulse to protect the less fortunate from Greed, to keep the weak from being the prey

of the strong, and to deal in some way with the situation in which one man has too much and another too little, in which Power gravitates into the hands of a few to the injury of the many. For this in all corners is the world's trouble, and in various ways, now consciously, now unconsciously, now driven to blind experiment by the increasing spectres of the East End, and now merely taking part in a world-wide movement from St. Petersburg to Auckland, the English mind has tried to find the remedy.

Coöperation was the first salve hit upon by civilization. The earlier impulses of men had usually been, in the manner of the jungle, to set things straight with force. Being hurt, they responded by hurting others; or they stood the pain as long as they could and then had resort to weapons with which they sometimes changed names, but rarely changed conditions. That is to say, Force was salt on the wound and not salve.

The logical offspring and successor of Coöperation was Public Ownership. Naturally, the first supply that men tried in some way to protect against the imminent risks of private control and individual greed was food. Public Ownership merely undertakes that the State shall do for other supplies what Coöperation seeks to do for food. Public Ownership goes much further than Coöperation, but the two travel the same lines with the same impulse, which is to protect the masses of mankind from the raiding of the more fortunate.

The rest of the world has gone very far with these experiments that seem to Americans so strange and revolutionary. We have seen how Coöperation has spread from country to country until in all lands but ours it is one of the important factors in modern life. The development

of Public Ownership has been still more astonishing. In some form or other almost every considerable city in Europe has embarked upon it and the range of the municipal enterprises is from the simpler stages of supplying gas and water to the astounding transactions of the London County Council, which owns and operates street-car lines, steamboats, ferries, omnibuses, builds and rents stores, theatres, flats, and dwelling-houses, finds houses for the poor, provides playgrounds, playthings, and games for children and excursions and entertainments for adults, regulates fares, adjusts time-tables, compels railroads to do its will, and governs with a wholly benignant and helpful tyranny beyond any precedent in the world's affairs.

All over Europe, private corporations have been dispossessed of the ownership and operation of street-car lines, gas, water, and electricity supplies, railroads, telegraphs, telephones, and even mines. So far has this gone that in Europe, and particularly in England, Municipal Government is now accepted and understood to include, on behalf of the public and purely for the public welfare, definite functions of trade and transportation previously unknown to it. Everywhere the steadfast tendency is to extend the scope of such functions. As a matter of pure theory Public Ownership may be good or bad; I shall not try to establish either side of a question with which I have here nothing to do; but it is an interesting fact that I have yet to find or to hear of more than one community that, having tried any phase of it, would be willing to return its utilities to private hands. Hardly shall anyone study the subject on the ground and escape the conclusion that in Europe Public Ownership is regarded as something beyond experiment and become a demonstrated success.

For instance, take the city of Birmingham. Two or three years ago it had this matter before it in a way that made the test typical. The British Traction Company, which was the business name of the late Mr. Charles T. Yerkes, long and unfavorably known in Chicago and elsewhere, earnestly desired to get a franchise in Birmingham, and it waged to that end an exceedingly skillful and well-planned campaign. Mr. Yerkes, it may be believed, had lost nothing in wisdom by his varied experiences in controlling American municipalities, and to the task in hand brought all the ripe fruits of his knowledge. He was able, moreover, to make a most plausible showing and of the kind that strongly appeals to the voting Englishman; that is to say, he was able to prove something about the blessed "rates." His company had offered to pay for the streets a price that would assuredly work a great reduction in the rates (or taxes), whereas Municipal Ownership had no such promise to make. Moreover, the company had meanwhile secured certain rights over suburban and adjacent lines and was thus enabled to offer alluring things in long and cheap rides. Altogether, the attractions seemed on the side of Mr. Yerkes, and the disadvantages and expenses of Municipal Ownership were fully set forth in many publications and meetings.

Also, among his American lessons was one to the effect that political campaigns cannot be conducted successfully without funds. First and last, there was plenty of money for the British Traction Company's side and very little for Municipal Ownership. But when the voting came on Mr. Yerkes was beaten to bits. He hardly knew he was running. Birmingham seems not to regret its decision. The blessed rates have never received the relief promised

by Mr. Yerkes, but the city has an extended, rebuilt, cheapened, and immensely improved system, and with that the people are content.

Or take Liverpool. "What do you think of our trams?" the admiring visitor used to be asked in Liverpool ten years ago. "Aren't they the worst in the world?" It was a local pleasantry to affect an ironical pride in the wretched service, in the way that St. Louis people speak of the heat. The superlative assertion about the Liverpool tram was, of course, merely idle so long as Chicago remained in the world, but in those days street-car travel in Liverpool was certainly bad enough. At one time the road-bed was so rotten that the city authorities served notice on the company to remove the rails from the streets because they menaced public safety. If you drove over a rail in the middle both ends flew up in the air. The company owned sixty-seven miles of track in the city and about seven miles outside, and most of the time there seems to have been a row on with the authorities and incessant sub-currents of bitter complaint from the outraged inhabitants. In the end the city wearied of the situation, and in 1897, under sanction of a special act of Parliament, it took over the whole enterprise. Its first move was to install the overhead electric system and the next to lay forty miles of additional lines and relay the old track. The results of Municipal Ownership in Liverpool seem to have been rather pleasing to the populace. The operations show an annual gross profit for the city of about $1,000,000 a year, on a total investment of $9,000,000. Of this profit, $260,000 goes to the sinking fund to pay off the purchase price, $250,000 to pay the interest on the purchase bonds, $320,000 to the reserve fund and for renewals and depreciation, and $160,000 to reduce general taxation.

Here are the figures that show the comparative results of the two systems:

	1897. Last year of Private Ownership.	1903. Under Municipal Ownership.	Increase per cent.
Passengers carried .	38,409,084	113,057,234	194
Mileage	6,013,182	11,734,838	95
Receipts	$1,453,715	$2,262,545	80

I recite these instances because they explain at the outset the rapid growth of an idea that has transformed local government in so many European cities. They find that the thing pays; that is why they stick to it.

Take for another example, Manchester, which seemed to me to have an incomparable traction system. The city proper is the centre of an intricate net of lines, 138 miles in all, covering every suburb and about twenty neighboring cities and towns. This great railroad, all owned and operated by the municipality, supplies a vast population with frequent, comfortable, quick, and wonderfully cheap transportation in a bewildering variety of directions. Manchester has arranged with the authorities of outlying towns to operate the traction lines of each, and thus secured a uniform service under one management. The cars are large, handsome, well lighted, noiseless, running without jar over a faultless track, and equipped with every imaginable comfort. The hours of the employees have been reduced to fifty-four hours a week, a reduction of more than sixteen hours a week from the schedule enforced by the private company; the wages have been increased; the city now provides the men with uniforms. In the days of Private Ownership, the com-

pany paid the city $115,000 a year. The city's gross profit from its own operation of the lines is about $1,100,000 a year. From this, various sums are charged off for the sinking fund to pay the purchase price, for the reserve fund and for depreciation, after which $250,000 goes to reduce general taxation.

Naturally, a proposal to return to Private Ownership would not be popular in Manchester.

I should add that great as is the present Manchester traction system, it seems only a beginning, for the Corporation continues to extend its lines to additional towns and villages, and there is discernible a planned organization so vast that its like does not exist anywhere.

In Leeds, a city of 446,000 inhabitants, the street-car lines have been for ten years owned and operated by the municipality and so well that on a capital investment of $5,000,000 the annual gross profit is about $355,000, of which $250,000 goes to the reduction of taxation. In Sheffield, with 425,000 persons, the system pays about $125,000 a year; in Salford, with 300,000 persons, about $25,000. In Glasgow the municipality, confronted with an obstinate private company which would neither sell nor vacate until the expiration of its lease, built in one year stations, houses, stables, and some lines of its own and at the moment when the lease expired began the operation of the entire system and with such an equipment as Glasgow had not dreamed of. Municipal Ownership of the traction lines pays Glasgow more than $1,000,000 a year and among its achievements is the carrying of 57,000,000 passengers at a one-cent fare. Sixty per cent. of its passengers pay a two-cent fare, thirty per cent. pay a one-cent fare, six per cent. pay a three-cent fare, four-tenths of one per cent. pay a five-cent fare.

A very few of the Public Ownership experiments in England have not fared well in a business way, that is true. In Huddersfield, for instance, where the municipality owns and operates all the street-car lines, thirty-five miles in length, the taxpayers have been obliged to make up an annual deficit on the enterprise. While the number of passengers carried has more than doubled in ten years and the annual receipts have increased from $130,000 to $325,000, a deficit that was $35,000 in 1894, was still $23,500 in 1904. The taxpayers are said not to complain (which seems strange) because of the extraordinary facilities provided, the twenty-nine waiting-rooms, the arrangements for carrying parcels and heavy freight, the letter-boxes on the cars, and so on; but in a town of 95,000 inhabitants where there is an annual bill of $25,000 for street-car service the people would be esteemed of unusual patience if sooner or later they did not object. I may properly add that the abnormal conditions at Huddersfield are believed to be only temporary and in two or three years the system there is expected to show a profit. Other municipal trading ventures in Huddersfield pay well. The city gas works return a net profit of 9¾ per cent. and yield $18,000 a year for the relief of taxation. In some places the first year's operation of municipal street cars has shown a loss, but each succeeding year a profit. Instead of municipal street cars the town of Eastbourne has installed municipal motor omnibuses and makes money from them.

Here is a table showing at a glance the approximate results (in dollars) of municipal street-car lines in all the British cities except London, and the amounts turned over by the municipal lines to the city to reduce general taxation:

APPROXIMATE PROFITS OF BRITISH MUNICIPAL STREET-CAR LINES, WITH AMOUNTS TURNED IN TO REDUCE TAXES.

	Annual Net Profits	Contributions to Taxation
Aberdeen	$70,000	.....
Ayr	17,500	.....
Birkenhead	10,000	.....
Blackpool	265	.....
Bolton	72,000	$11,000
Bournemouth	37,000	.....
Bradford	65,000	.....
Brighton	23,000	.....
Burnley	17,000	.....
Burton-on-Trent	3,500	.....
Cardiff	31,000	3,200
Chester	1,700	.....
Dover	4,600	.....
Dundee	20,000	.....
East Ham	10,000	.....
Glasgow	1,290,000	125,000
Hull	100,000	57,000
Ilford	22,000	.....
Kirkcaldy	400	.....
Leeds	350,000	260,000
Liverpool	480,000	160,000
Manchester	595,000	250,000
Nelson	400	.....
Newcastle-on-Tyne	59,000	.....
Newport	2,000	.....
Nottingham	130,000	65,000
Portsmouth	$80,000	.....
Rotherham	11,000	.....
Salford	75,000	$60,000
Sheffield	135,000	41,000
Southampton	30,000	25,000
Stockport	3,000	.....
Sunderland	47,000	20,000
Wallasey	26,000	13,000
Wolverhampton	5,500	.....
Total	$3,823,865	$1,090,200
	Annual Net Losses	
Blackburn	$25,000	.....
Darwen	2,000	.....
Farnworth	8,000	.....
Halifax	2,500	.....
Huddersfield	25,000	.....
Lancaster	14,000	.....
Oldham	39,000	.....
Rochdale	20,000	.....
Southport	1,600	.....
Warrington	3,900	.....
Yarmouth	1,000	.....
Total	$142,000	

In addition, twenty-four British communities have municipal street-car lines in course of construction or planned.

Continental cities that have experimented with the Public Ownership of street-car lines almost without exception report profits and an improved service. Munich, Cologne, Coblenz, Zurich, and Vienna afford examples of admirable service and able management. In Vienna particularly, it would seem difficult to suggest any improvement, the fares are so low, the service is so quick, and the cars are so comfortable. Yet the Vienna system returns a substantial profit.

Wherever in Germany the street-car lines are still private concerns the day of municipalization is not far off, for the reason that the cities have granted franchises providing for Public Ownership after a term of years, the companies to receive no compensation except the actual cost of their rolling stock. In the meantime the companies pay over an annual percentage of their gross receipts, sometimes seven and sometimes eight per cent. In Berlin conditions are slightly different, and the story of Berlin's experience with Capital ought to be most instructive to Americans, it is so like, and still so unlike, their own.

The municipality granted to the Great Berlin Street-Car Company (an institution very like the Metropolitan in New York) certain exclusive privileges in the streets, to expire in 1919, when the public should take possession. As popular conviction grew in favor of Public Ownership the municipality became restless under the contract, but no one could suggest a way by which the waiting time could be shortened. At this juncture one of the members of the Ministry of Public Works suddenly resigned to take the place of managing director with the street-car

company; whereupon the pleasing discovery was made that he had brought with him a new franchise, in which the date of transfer to the city was postponed until 1946. Just how he obtained it none of the indignant citizens of Berlin has been able to find out.

Baffled in this way the municipality has busied itself in constructing branch and minor lines, which it operates with no great profits, and in acquiring a new electric line constructed by the Siemens & Halske firm. Three larger roads are about to be built by the city, but it cannot hope to overtake the street-car company, which possesses the fat of the traffic and declares ten per cent. dividends. The municipality of Berlin and the Government of Prussia are not on good terms. The street-car company avails itself of the strife, just as an American company would, and the Government is by influence induced to place obstacles in the city's path.

Once the course of these complications led to the courts and resulted in a decision well worth careful attention. Berlin is growing rapidly, and much of its old business centre was planned for a city of one-fifth its present size. Hence the streets in that region are often congested. One of the greatest thoroughfares, Leipsiger Street, is particularly crowded. The street-car company has a double track in Leipsiger Street, and as its own traffic has enormously increased with the city's growth the lines of slowly moving cars have become a nuisance, for daily the traffic is blocked. To relieve the situation the city several months ago encouraged the Siemens & Halske Company to extend one of its lines by tunnelling Leipsiger Street.

The traction company promptly went into court to secure what in our own enlightened land would be called an injunction, on the ground that its concession from the

Government plainly gave it the exclusive right to construct and operate railroad tracks upon, under, or over Leipsiger Street, and the city could not interfere with that right; a position with which we have become familiar in America. But when the case came to trial, the court, in a country that is supposed to afford the extreme of protection to every vested interest, knocked the company's case to pieces. On the ground, apparently, that the Government could do whatever it pleased for the public welfare and that franchises inimical to public policy could not be enforced, it ruled in favor of the city on every point, and the long-needed tunnel is now under construction.

Whoever would see how differently we do these things in America need but refer to the experience of Chicago, where a few years ago all franchises of every description expired on many of the street-car lines, and a company without franchise rights, a mere interloper and trespasser in the streets, long successfully defied every attempt to oust it.

The court's decision in the Leipsiger Street case foreshadows more Public Ownership of transportation lines in Berlin. The municipality has fully determined upon this, and with good reason; the lines it has already acquired afford a service so superior in every way to the private lines that the people are almost wholly with the municipal government in its policy.

In this they are of a mind with the people of all other Continental cities. Private Ownership in public utilities seems doomed in Europe. The practical demonstrations are all against it. The most obvious trend of thought is surely destructive of it. Originally in the cities Private Ownership was the rule; in a few more years it will be a

rarely found exception. In European cities, at least, the people have fully satisfied themselves that they can do many things they formerly had done for them and do them better and more cheaply. That settles the fate of Private Ownership.

CHAPTER VI

THE CITY GOES INTO BUSINESS

IN GREAT BRITAIN, the progress of Public Ownership has almost obliterated the Private Ownership of water supplies, though once nearly all such supplies were in private hands. Of the British municipalities that own their water-works, 193 show an aggregate capital of $280,000,000 and an annual average gross profit of $10,150,000. Even the smaller towns and villages are now rapidly taking over this supply. Curiously enough, the laggard of the great cities is London itself. London water is supplied by eight companies whose profits have run for years into such fabulous sums that one share in the New River Water Company is an independent competence for an ordinary family. London is now absorbing all these companies—although at an enormous expense. All the local gas-works are to go the same way. Of the cities, towns, and villages in Great Britain and Ireland, 282 now own and operate their gas-works, and the reports show a yearly increase. Some municipalities have found the gas business exceedingly profitable. From gas profits alone Belfast turns over to the reduction of taxation about $100,000 a year; Leeds, $150,000; Salford, $100,000; Rochdale, $65,000; Nottingham, $100,000; Southport, $56,000; St. Helen's, $25,000, and Manchester $300,000.

In electric lighting there is the same story. Five hundred and eight British cities and towns have electric light

and in 334 the plants are owned and operated by the public authorities, leaving 174 privately owned. Public Ownership of electric plants does not mean here that the authorities merely light the streets; they also sell electricity to consumers for light and power. I give some of the annual profits of publicly owned electric-light plants in Great Britain:

	ANNUAL NET PROFITS
Aberdeen	$50,000
Aldershot	500
Ayr	3,000
Bath	5,000
Bedford	4,000
Belfast	30,000
Bermondsey	2,500
Birmingham	50,000
Blackpool	9,000
Bolton	50,000
Bradford	50,000
Bristol	40,000
Canterbury	4,000
Cardiff	10,000
Chester	10,000
Dublin	67,000
Edinburgh	115,000
Glasgow	210,000
Hackney	25,000
Huddersfield	20,000
Leeds	17,000
Leicester	21,000
Liverpool	155,000
Manchester	155,000
Nottingham	62,000
Plymouth	15,000
Portsmouth	20,000
St. Pancras	102,000
Sheffield	27,000
Southampton	22,000
Total	$1,351,000

An act of Parliament has enjoined upon municipalities a reserve fund if they go into the electric lighting business: hence, as many of the enterprises are very new, not many

have so far made such contributions for the reduction of general taxation as have the municipally owned street-car lines, noted in the preceding chapter; but I notice that in 1904 Blackpool turned in $9,000 from its electric lights; Bolton, $34,000; Burnley, $4,500; Cardiff, $15,000; Edinburgh, $75,000; Harrowgate, $13,000; Liverpool, $75,000; Nottingham, $30,000; Croydon, $15,000, and so on. One hundred and ten English cities, according to the latest compiled reports, have made and sold electricity at a profit, and sixty-two report no profit, or a loss upon a year's operations, though not in any case a greater loss than $6,000.

Nothing is done in England without the unrolling of red tape; almost to draw your breath requires an act of Parliament or at least the license of some absurd and useless department of the ponderous Government. Probably half the cities of England would now own their telephone systems if it were not for the difficulties placed in their way by this foolish obstruction. On the Continent telephones are almost universally operated by the governments, but in England at first, as with us, the service was rendered by private companies. British municipalities desiring to go into the telephone business must secure licenses from the Postmaster-General, and these do not seem to be easy to obtain. The municipality must also fight the National Telephone Company, or Telephone Trust, which I judge to be enough of an undertaking to test the municipality's pluck and skill. Nevertheless, so far, six British communities, Glasgow, Portsmouth, Swansea, Brighton, Hull, and the island of Guernsey, have established municipal telephone systems. Manchester, Salford, and Stockport have determined to go into the telephone business, and other cities have such a project

under discussion. In Glasgow the municipally owned telephones cost $26.25 a year for an unlimited service, any number of calls, no extras and no grafting; or subscribers can arrange for a limited service costing $17.50 and two cents a message for all over the limit. The Glasgow* city-owned system handled 37,000,000 messages in 1904, and made a net revenue of $102,000, leaving, after interest, sinking fund, and all other charges a surplus of $18,000. In Brighton the unlimited service costs $27.50 a year and the system returns a small profit. In Portsmouth the unlimited service costs $29.25 a year and the system turns over $6,000 a year toward taxation.† In Hull and Swansea the municipal telephones have but lately been installed. In the island of Guernsey the publicly owned telephones are so cheap that one inhabitant in every thirty-three rents one. There are three tariffs, one at $7.50 a year and two cents a call; one at $11.25 a year and one cent a call, and one at $25 a year. The net profit for the year after all the charging off was $1,005, which was applied to the relief of taxation.

Tunbridge Wells is the only city in England that has tried Public Ownership of anything and abandoned it. For three years Tunbridge Wells operated a telephone system of its own in opposition to the National Telephone Company's exchange. The company's rate was $40 a year and two cents a call. The municipality cut this to $29.37 a year for an unlimited service, or $17.50 and

*In accordance with a general policy by which the national government is eventually to acquire all the telephone systems in Great Britain, Glasgow has since relinquished its telephone business to the post-office department.

†In Boston, a city with its suburbs a little larger than Glasgow, the rate for unlimited service is $162 a year, as against Glasgow's $26.25. In Providence, a city of about the size of Portsmouth, the unlimited rate is $120 for business houses or $100 for residences, as against Portsmouth's $21.25. But in Minneapolis, another city comparable with Portsmouth, there is competition and lo! the Bell Company (The Northwestern) charges but $84 business and $48 residence, while the rates of the competing company (The Twin City) are $48 business and $30 residence.

one cent a call. The first year's operations left a net surplus of $650. The National Telephone Company, which must surely be an American concern, organized a body called the Rate Payers' League and carried on a skillful campaign by which it won a majority in the Town Council, whereupon an ordinance was passed leasing the public lines to the company. I omit the comments of the Municipal Ownership advocates on this event. Having thus conquered the situation the company promptly and naturally raised its rates. The lease must needs be referred to the Postmaster-General, who was then that powerful intellect, Mr. Austen Chamberlain. Mr. Chamberlain could have stopped the deal if he had so chosen. He approved it, seemingly with joy. But the telephone chapter in this story is not very important because eventually the government post-office department is to take over all the telephone services. So long as the Conservatives were in power this consummation seemed a long way off. Indeed, the Balfour government actually entered into a strange and sinister alliance with the Telephone Trust by which the Trust was made secure for some years in the possession of its advantages. That did not look like immediate Government Ownership.

Public baths, and public wash-houses (for laundresses) are maintained by 138 municipalities in Great Britain. This is the oldest form of municipal trading and the least profitable. Nearly all the baths lose money and have lost money from their inception.

Fifty-one British municipalities have built or acquired and are now operating their own slaughter-houses, and nearly all of these are so profitable that the assertion is made that in five years privately owned slaughter-houses will have disappeared from Great Britain and all slaugh-

tering will be done under the supervision of the public authorities. Persons that have visited the packing-houses of Chicago and persons that know the operations of the American Beef Trust will readily understand the bearing of this on public health.

Three hundred and eighteen towns and districts in the United Kingdom own their cemeteries. Most of these are conducted at a loss.

But the most interesting part of municipal trading and the part that comes the closest to the world's problem is what is called the "Housing of the Working Classes"—classes being as clearly recognized and established by English law as by English practise. The crux of the painful situation in England is over this matter. If the slum-dwellers had decent houses, enough light, air, and sanitation (with enough food), there would be no fears about physical degeneration and no hordes of Hooligans in the East End. Moreover, the housing problem in England is aggravated by the peculiar land system. As nearly all the land is tied up in great estates and cannot be sold, the growing populations of great cities are congested within rigid limits, and when improvements, as, for instance, the building of a railroad or of a market, demolish existing dwellings the inhabitants have literally no roofs for shelter. The municipality, therefore, is being driven to the expedient of finding ground and building houses to be let to the dispossessed workers. Under the leadership and example of the London County Council these activities have become very general in English cities. Nearly every London borough has a housing scheme under way. The City of Westminster, for instance, has bought a site containing an acre and a half on which it has built three flat-houses capable of housing 1,600 per-

sons. There are 793 rooms, arranged in 342 one-, two-, three-, and four-room tenements. One-room tenements rent for seventy-five cents to $1.06 a week, two-room tenements for $1.50 to $1.75, three-room tenements for $2.12 to $2.37, four-room tenements for $2.37 to $3.12. The houses are built on sanitary principles and have many modern conveniences. The City of Westminster is the owner and landlord, issues the leases, finds the tenants, collects the rent, and makes money by the operation. Almost every Borough Council in London has done the same thing; the total of dwelling-houses built, owned, and rented to tenants by London boroughs is most imposing. Battersea has 173 such houses, Bermondsey is building four blocks of them to accommodate 980 persons, Chelsea owns 108 tenements, Camberwell has spent $175,000 in the like work, Shoreditch has cleaned out one of its innumerable plague spots and built modern tenements instead, Stepney has under way two great schemes of building and house-renting, and so on.

Liverpool has spent $250,000 in buying and clearing away rear tenements, rat-holes, and "Hell's Kitchens," and filling their places with habitable buildings. Glasgow has spent $10,000,000 in the same work. It owns dwelling-house property valued at $4,400,000, and in 1902, after deducting all expenses and charges, it had a net profit of $35,000 from such property. Greenock has spent $1,000,000 in providing houses for working men; Wolverhampton is building fifty new dwellings; Bath is building forty.

In Birkenhead the municipality bought a tract consisting of 4,530 yards and cleared away from it 101 structures which, as they were used for human habitation, were called dwellings. On the space thus obtained eighteen houses were

erected. Subsequently, the town acquired another tract on which it is now erecting 232 buildings.

Manchester bought for $535,000 a slum area in Pollard Street, five acres, from which it displaced 1,850 persons and rehoused them at a cost of $520,000, thereby lowering the death-rate.

Leeds is clearing away seventy-five acres of slums and building new dwellings at a cost of $2,500,000.

Plymouth has built houses and flats for 1,200 persons and makes about $8,000 a year from its venture.

Sheffield acquired a slum area for $450,000, cleared it, and has built 124 modern dwellings on part of the site.

Devonport tore down a fine collection of rotten rookeries and built in their stead 105 modern tenements at a cost of $250,000.

Southampton cleared three acres of slums and spent nearly $300,000 in building homes for working people.

These are a few samples. Besides these, twenty-one communities have issued bonds to build dwellings; thirty-eight others have plans under way.

Twelve communities conduct cheap lodging-houses. Glasgow has found its lodging-houses so profitable that it has paid more than five per cent. on the value of the site; one per cent. is charged off for depreciation, and the city takes about four and one-half per cent. a year, net profit, which is applied to the general funds. It also conducts a Municipal Boarding-House with 160 boarders, who pay from $1 to $1.25 a week for their rooms and five cents for breakfast, eight cents for dinner, and six cents for tea. These are not paupers, nor mendicants, nor criminals, but mostly widowers left with children for whom the city provides nurses free of charge.

CHAPTER VII

THE ASTONISHING GROWTH OF THE NEW CONCEPTION OF GOVERNMENT

BUT of all these achievements none approaches the things done by the London County Council —that body unique in the history of government. The task set before it of forging something like order from the diverse materials of twenty-seven boroughs and as many wrangling vestries was greater than the creating of the Roman Empire. Most empire builders are described as wading through seas of blood. The London County Council may be said truly to have swum through oceans of red tape. A more preposterous condition never confronted an adult community. The Council could hardly buy a paper of tacks without a special act of Parliament, and to secure each act cost about $5,000. It was like a comic opera; I wonder some humorous genius has not turned it into song and story.

The Council was created about eighteen years ago to supplant a band of premium incompetents called the Metropolitan Board of Works. I have no chance here to recount the bewildering things it has done since—how it has introduced good architecture into the poorer districts of London, widened old and made new streets, created little oases of beauty in the hideous desert of the gloomiest of modern cities, provided transportation, and furthered civilization. The utmost I can do is to give

some glimpse of its work on merely the lines we are considering.

Of the 115 miles of street-car lines in London the County Council owns ninety-four miles. It leases forty-eight miles on the north side of the city to the Yerkes Company, and the forty-six miles on the south side it operates itself. Its policy is to extend as rapidly as possible the system that it operates. It has long been engaged in an endeavor to wring from Parliament permission to bring its lines across the Thames bridges (where they now stop), when it will inaugurate a system of street-cars through and about the Strand and reaching to every part of London. At present the north-side lines do not run where anybody wants them or ever sees them. They do not come within any useful distance of the Strand, and they seem to exist as some mild kind of entertainment, not as serious enterprises in transportation. But when the present leases run out the Council purposes to unite these lines with the projected roads across the bridges and thus amalgamate all the systems. No city in the world has what this plan will produce if it shall ever be carried out. At present it is blocked, mainly because of the personal opposition of King Edward. It is hoped that his objection (understood to be founded on the obstruction the lines would cause to automobiling) will be removed before the next sitting of Parliament.

In its operation of the south-side lines the County Council has enlarged and greatly improved the service, reduced fares, increased wages, shortened the hours of its employees, and in 1904 it turned over to the general funds a surplus on its street-car operations of $100,000. On the other hand, it is true that the profits of the lines worked directly by the Council are smaller than the sums paid by

the Yerkes Company for the lines it leases, notably smaller, so that to the taxpayer the advantage at the first glance would seem to be in favor of leasing lines for private management. Mr. Yerkes created and maintained an association that had for its purpose the stemming of the rising tide of Public Ownership, because that tide threatened to engulf all private control of all public utilities in Great Britain. This association, in which Mr. Robert P. Porter, of America and late of the Tenth Census, took a peculiar and vivid interest, was at pains (and expense) to impress upon the British voter how much greater are the returns from the Yerkes leased lines than from the County Council's roads on the south side. I could find in the association's copious literature no mention of the fact that the apparently small profits of the Council's lines are due to its expense in extending and improving the service, whereas, I need hardly say, the Yerkes company never had any such expenditures to make. I doubt if the association, or even the eloquent Mr. Porter, had much effect upon the public mind; but something else subsequently caused the Council to undergo a nominal and temporary defeat and in a manner that should be instructive to all reformers. Most of the Council's improvements are in the nature of investments, at present unremunerative, hereafter to return good profits. The outgo was visible in the tax-rate; the income was far down the years. Taxes are in England a great matter; about nothing else can you arouse so much public indignation. Solely because of the increase in the rates the voters (who are limited to rate-payers), in November, 1906, gave at the polls an apparently adverse judgment upon the Council's work. Yet it was but apparent and superficial. The policy and plans of the Council go on and will go on exactly as before,

nor is there any reason to think that this strange combination of shrewd business instinct and advanced philanthropy will cease to gather new powers or to use them toward the realization of ideals in government of which the world has not before dreamed.

As a remaker of London, as a huge business enterprise, as a practical protest against the world's indifference to its duties, the County Council is interesting enough, but its work as a landlord is what most concerns us here. In different regions of London and adjacent territory the Council now owns or has an interest in thirty-seven housing enterprises. In some instances it has bought the land and built the houses; in some others it has contributed to work carried on by the boroughs. Twelve of its own holdings have a total area of 350 acres, cost $17,000,000, and will house, when the improvements are completed, 70,522 persons.

I must try to show what these things mean by giving a few typical instances. At Norbury, on the London, Brighton & South Coast Railway, just on the county boundary, the Council secured an estate of thirty-one acres. On this it is building block after block of cottages in which it will be able to accommodate 5,800 persons. These it rents at low rates as fast as they are completed. The cost of this enterprise will be about $1,500,000. The houses are small but very neat, well lighted, and sanitary.

At Tottenham, on the other side of London, the Council owns 225 acres on which it is building houses that will accommodate 8,530 persons. It has also built and operates at Deptford a great cheap lodging-house on the general lines of the Mills hotels in New York. And then there are the flat-houses at Millbank where the tatterdemalion went singing.

In these enterprises and those of a similar nature conducted by the boroughs, London is now engaged in spending about $100,000,000.

So then, this is the answer, this is the solution England offers to the problem that terrorizes her, this is how society proposes to avert the plague. Of what avail is it? None in the world. Beautiful charities, beautiful houses, beautiful work of the County Council, beautiful plans, beautiful enterprises—would you like to see the perfect comment on them all? There it goes, down the asphalt court, wailing for halfpence. Those flats were built ostensibly for him: he begs at their windows. The 8,000 cottages here and the 3,000 there and the 7,000 somewhere else were all built theoretically for him, and he never saw the inside of one of them. When all of the $100,000,000 shall have been spent for him he will be just where he was before, just where he is now, going down the asphalt court with his terrible, misshapen wife and his stunted child, singing for halfpence. The remedy is nothing; it helps not, it avails not, it is a mere straw in the current. Why? Because the trouble is something so deep and radical you cannot cure it by treating symptoms. This dreadful singing creature and the swarming millions of his kind are the products of conditions in which a large part of the population is denied opportunity—and of nothing else. The remedy lies in an equal chance for all. Men do not of a choice live in slums; degenerates are not the normal products of humanity. But in a country where the caste system rules as it rules in England not only is there no chance for the substrata, but the controlling English minds cannot be induced to look upon the substrata as worth considering or legislating about. For the evil that opens wide its gulf at England's doors the

one possible cure is democracy; but whenever democracy is seen approaching, then tradition and custom, the national habit of mind and the reverence for rank combine with the interests that uphold the caste system to suppress the intruder. In one way or another they combine to suppress it.

If the King gives a garden party and shakes hands with a promising labor leader, instantly that labor leader is converted into a reactionary and a sturdy upholder of caste. If the Government knights the editor of a radical newspaper, it becomes at once a fervent champion of present conditions.

Of the fact of the slum there is recognition, yes; and that in some way it is eating out the vitality of the nation. Slowly and through painful revelations these things have been forced home upon public attention. But there is nowhere in England any recognition that the slum inhabitant is a human being of equal rights with the fortunate, that he is the victim of conditions surviving feudalism has forced upon him, that he is a bill for English society to settle, that he is the inevitable and logical result of a system for which he has no responsibility. And yet he is the crux of England's problem, he—not the man that has work and a home and a way of life. The aristocracy and the prosperous in England think they have helped the situation when they have provided cheap omnibuses for workers, or perhaps a loan exhibition of pictures. Of what use to the starving millions of the slums is the opportunity to ride cheaply? They do not want to ride at all. They want food and light and air and a chance to live. Of what use is it to them if taxes be lowered, if the municipality reap millions of profits for the relief of the rates? They pay no taxes, they have nothing to do with the rates.

What to them are royal commissions and societies of the amiable rich to assist the worthy working classes? They have nothing to do with the working classes. What do they care about "working men's trains" and "working men's omnibuses"? They have never heard of such things and do not care to hear of them. Their demand is not for loan exhibitions but for something to eat and a place to live, and you will not answer that demand by building pretty bathhouses, good my lords!

All these publicly built and publicly owned dwellings, these model tenements, these great enterprises for "Housing the Working Classes," the sanitary cottages and the airy flats—most admirable, worthy, wise, profitable, economic, salutary, beneficent for those they serve—they do nothing to solve the world's problem. Whatever they may achieve hereafter, so far they do nothing. The model tenements are invariably seized by the well-to-do, the sanitary cottages are possessed by persons of good and regular incomes. All the families that have occupied the County Council houses at Norbury were housed before; they have merely moved—from poor and dear to cheap and good houses. The County Council has enormously helped them, no doubt; it has not helped those that needed help; it has not saved those that needed saving. Is there any light in Whitechapel for all this? Not a ray. In those frightful regions is no whit less misery, no less suffering, no fewer dwellers in the subcellars and dark alleys, no fewer stunted bodies and stunted minds and stunted lives. Fewer? There are more. Day after day the horrible tide rises there, the numbers increase, the plague-spot grows, the cloud darkens. I can think of no spectacle at once more pathetic and more solemnly suggestive than the London County Council busily carrying

out its excellent plans for the benefit of the middle classes and the working men, while the real plague of England rises unmitigated upon it.

I do not mean merely that hundreds of thousands are starving, nor that they are shiftless, lazy, and ignorant, nor that society has always had to deal with a certain percentage of incompetence, and that these constitute the troubles. What fills with alarm all thinking men in England, brings forth royal commissions of inquiry, and produces the weekly panics about England's defenseless state is that the ill-fed, the ill-developed, the physically feeble, and the mentally inept are numbered by the millions, that they swarm everywhere, that they steadily increase, that nothing yet devised operates in the least to check the increase. Blinded by the system of caste that is England's greatest misfortune, the English social reformer cannot be induced to look below the men that labor with their hands. He cannot be brought to think of the men that do no work because they have none to do, to the hordes that drift and idle and spawn about the English cities. Therefore, the worst conditions, at once the products of the caste system and fortified and buttressed by it, remain the same for all the remedies. The dwellers ousted from one destroyed slum swarm into another. The paupers abound, the millionaires thrive, the great unproductive estates are as they were, vast areas of fertile land still have no use but as hunting preserves for the nobles, great populations struggle for air and space on the edge of unpeopled wastes. Again, in spite of all, some men have too much of the fruits of the earth, some men have too little. Nothing is changed that essentially needed changing. The whole situation is perfectly symbolized by that man at Millbank. On both sides of

him are the houses built to relieve the overcrowding of his kind. They are filled with fortunate people that needed no relief. And here comes the skulking figure, indicting and condemning the whole scheme as he passes, begging for halfpence and singing with terrible irony:

"Other refuge have I none."

CHAPTER VIII

THE STATE AND THE TRANSPORTATION PROBLEM—RAILROADING WITH THE KAISER IN GERMANY

THE station-master of Bomburg-Pomburg, standing erect in approved military attitude at the end of the platform that bounds his dominion, is one of the grandest sights in nature. His magnificent uniform of blue and gold shines conspicuous in the sun. His red cap of office is adorned with much gilt, and the occasion, let us say, being festival, he wears with pomp and circumstance a massive sword. As Napoleon upon the field of battle, he from his coign of vantage surveys the scene of action—calm, imperturbable, majestic, full of thought and command. A long train is drawn up at the station and he stands where all the passengers can derive pleasure and edification from gazing upon him. He looks down the platform and observes that his adjutants are properly herding and shoving about the low, common third-class passengers, but he gives no sign, he unbends not, he mingles not in these pursuits.

After a time three or four guards from the train run excitedly down the track shouting "*Einsteigen*" Presently they return still more excited. The first shouts "*Fertig!*" the second shouts "*Fertig!*" the third shouts "*Fertig!*"—each in a different key. The conductor of the train looks carefully up and down to see that the guards are not deceiving him, that all is indeed ready for the ceremony. Then the first assistant station-master

ENGLISH HOP-PICKERS' RETURN TO TOWN

Note the wretched specimen of a yokel near the gray horse. The best men have been drawn into the towns

From stereograph, copyright 1904, by Underwood & Underwood, New York

MINISTER VON MAYBACH
Father of the Prussian Railroad System

rings an electric bell. The conductor, his face full of concern and doubt, again scrutinizes the train. Then slowly and with caution he takes a whistle that hangs by a cord about his neck and looks at both sides of it to be sure it is in good working order. Then he puts it to his lips with the air of a man deciding the fate of nations and blows a blast. Slowly and sadly the engineer answers from the locomotive. The conductor whistles again, and presently you may perceive that the train is simulating motion. And then comes the climax of the day. There stands the station-master of Bomburg-Pomburg, representing the Kaiser, the Imperial Power of Germany, the state and majesty of the Grand Duchy. As the train moves by him the engineer, the conductor, and all the guards stand respectfully at attention. Before this august figure each in turn salutes and receives the curt acknowledgment due from a superior to an inferior officer of the Imperial Government. And with that the ceremony is ended, the *Schnellzug* is launched upon its way.

This is the invariable performance at every railroad station in Germany and is typical of what is certainly the most remarkable transportation system in the world. In Germany, the Government owns the railroads and operates them through labyrinthine miles and miles of red tape. In England railroad travel seems to be a form of devotion to be undertaken alone, if possible, and always in sad silence and meditation. In Germany it is a state function; you ride by the permission of the Kaiser and the Government, and care is taken that you shall not forget your obligations. The cars, the stations, and the platforms are adorned with innumerable notices and warnings forbidding you to do one thing and commanding you to do another. You must walk here and must not

walk there; you must show your ticket at the gate and again to the conductor before the train starts. You must not enter into disputes with the ticket agents or trainmen, because they are government officers and to quarrel with them is a form of *lèse-majesté*. If you travel third-class you must be content to be herded as cattle are herded at Western shipping stations, and with as little courtesy. You will see the class lines drawn very clearly before you in the behavior of the employees, who uniformly hold that persons of rank and consideration travel first-class, men and women second-class, beasts third-class. You will see very curious exhibitions of autocratic authority and of objectionable servility from the same officers, and you will sometimes feel your blood tingle at the difference.

And yet, in all the essentials of getting about with ease and despatch the service is so good that your democratic and American soul will surely be tempted to disregard everything but the comfort, the cheapness, and the convenience. The German Government may regard its third-class passengers as of little esteem in the social scale, but it carries them wherever and whenever they wish to go and for wonderfully little money. In some parts of Germany where fourth-class cars are used the peasants travel for less than a cent a mile. As the first object of the German railway organization is not to make money but to provide public service, the time-tables are arranged solely with the idea of meeting the general demand. Hence trains are frequent in all directions. As nothing need be scrimped or stolen to make up dividends on watered stock and fraudulent bonds, the outfit is uniformly good, the road-beds and track are in excellent condition, and the stations great roomy places, often of elaborate and handsome design. The Government takes a reason-

able pride in its architecture; the frightful and ramshackle sheds to which in small American towns we must resort for stations are unknown in Germany; the smallest village has at least a tolerable *Bahnhof*. The through German trains make fairly good speed. The express from Berlin to Hamburg is scheduled at fifty-one and a half miles an hour, including stops. No long-distance train in Germany equals in speed such trains as the Empire State Express and the fastest Chicago-New York trains, but the Cologne-Berlin and Frankfort-Berlin expresses do forty-five miles an hour. The local trains seem slower than the mills of the gods, but they are fast enough to suit the people that use them. Accidents are almost unknown. Trains are seldom late. The whole vast system works with the precision of a perfect machine; for all its cheapness it returns every year great profits to the national treasury; and after many years of experience the people of Germany would regard as something straight from Bedlam a proposal to return to the private ownership of their railroads.

Like the man that commended honesty to his son, they have tried both. We have in America a pleasing way of assuming that the Government of Germany operates the German railroads because the spirit of enterprise and achievement is lacking among the German people; the Government, we Americans think, must needs do these things because private individuals don't know how; and this in spite of the fact that German enterprise has conceived and carried on commercial undertakings as great and daring as anything we ever dreamed of. The truth is that in the beginning all the German railroads were privately owned, and until thirty-six years ago nobody in Germany supposed there would ever be any

other kind of ownership. The Government woke up in 1871 to recognize two facts—first, that whoever owns a country's transportation service owns the country; and second, that it needed the national highways for national use. The war with France first jolted the private ownership idea, for the Government had found the railroad companies exorbitant, unreasonable, and given to grafting when it came to transporting troops and supplies; but we also had our share in effecting the transformation. It was the time of Tom Scott, the Pennsylvania monopoly, Jay Gould, the wrecking of Erie, the beginning of legislative bribery as a fine art. No important development or manifestation around the world escapes the hawk-like watching of the German Government. Tom Scott's performances were known and understood in Berlin as thoroughly as ever they were known in New York. The appearance of a new factor in Government able to control legislatures, nullify laws, and operate illimitable schemes of public plunder made a strong impression on the German mind. Moreover, much German capital had gone into American railroads about that time and very little had come out, and the following of its dizzy revolutions through debenture bonds, consolidated mortgages, equipment bonds, common, preferred and hocus-pocus issues, and the vast and sailless ocean of watered stock, showed to the Germans some highly disagreeable possibilities of the private system. So the Government determined as a matter of safety to run the railroads on its own account.

Because of the peculiarities of the German federation scheme the thing had to be done through the states of the Empire, for while all these states stand as one against the foreigner they are still jealous and sensitive about their local prerogatives. Prussia, the laboring steam-engine

of the Empire, took the lead. And here comes in the inevitable one man mighty that dominates the scene and with his two hands drags down the castle. What the obscure laborer Alexander McLeod was to Coöperation in Woolwich, Minister von Maybach was to Public Ownership in Germany. He was the man with the iron will, the unbeatable and unturnable, who kept hammering away until he got what he wanted. In America von Maybach would have been a boss of Tammany Hall, a great railroad magnate, or a trust builder. In Prussia he was the man that wrested the railroad system from the hands of individuals and did it without splitting hairs over the means employed.

The air was filled with objections to every proposal.

"How are you going to compensate the owners?"

"And what about the stocks and bonds?"

"And there are the widows and orphans that really own the railroads—what about them?"

"And you can't take private property for public uses, you know."

And so on, a dismal chorus.

"No?" said von Maybach one day. "You watch me." He had a jaw like a snow-plow and eyes as cold as glass. He went quietly into the stock-market and bought the control of one or two railroads. On these he instantly slashed all rates and reached out for all the business. It was knife for knife in brutal fashion on the tariff sheets, but in the end the private competing company found that von Maybach had the stronger weapon and the better nerve. He did not care for any protests about vested rights or the sanctity of dividends, but thrust his good blade right and left. The stockholders took fright at the vanishing of their dividends; with a hard, brutal person like that to

deal with the widows and orphans seemed to have no chance in the world, and in the end the private competitor was glad to make the best terms it could with the Minister and get out with Prussian Consols at three and one-half per cent. in exchange for stock. As fast as he added a new line to his system von Maybach extended his rate-cutting until he was practically master of the situation. Then the rest of the companies surrendered at discretion.

The other states meanwhile had taken heart from the bold von Maybach and followed his example—more or less. The private ownership of railroads all over Germany gradually passed away. In 1904 there were in the Empire 32,090 miles of railroad trackage, of which 29,375 miles were owned by the Government and 2,715 miles were owned by private companies. Most of the privately owned railroads were small branch lines, or lumbering or factory roads. For reasons of convenience the state managed 140 kilometers (eighty-five miles) of privately owned railroads and allowed twelve miles of state railroad to be managed by private interests.

In its total railroad operations from first to last the state (that is, all the governments of Germany collectively) has invested so far $3,129,943,965, or about $75,000 a mile of trackage. But this, of course, includes everything. The annual earnings are about two billion marks, or $500,000,000; the annual expenditures are about $332,000,000, and the gross profits about $167,000,000. A compilation from the railroad reports of all the German states made for 1901 showed for the full gauge lines a total income of 1,972,879,586 marks, expenditures 1,310,092,257 marks, profit 662,786,829 marks, or a profit of 33.59 per cent. Besides the full-gauge railroads there are 1,183 miles of narrow-gauge lines. Gross profits are figured at about

thirty-three and one-half per cent. For the whole of Germany the net annual profits on all state railroad lines, after charging off most liberally for depreciation, renewals, improvements, and interest, have for ten years been between 5.14 and 6.06 per cent. The tendency is steadily upward. Every year shows a slight gain in the net earnings, which are now a great item in the national budget. It is really the railroad earnings that save the Government. National expenses, in Germany as in all other countries, mount year by year with the increased cost of armaments, ships, and military supplies, but as these items increase the railroad receipts keep pace and the burden of taxation falls no more heavily upon the people. In Germany the foreigner does truly help to pay the taxes, for every alien traveler contributes mile by mile to the national treasury.

The plan whereon the German railroad system is built seems at first glance something to guarantee a hopeless confusion. Theoretically every state and province in the Empire contributes to the general service a certain quota of equipment over which it has sole jurisdiction. As a matter of fact there is no confusion at all, but practical harmony. An Imperial Railroad Department at Berlin smooths out the difficulties, sees that the equipments are up to standard, arranges for the distribution of supplies, and keeps the system working as a coherent whole. The tendency is toward greater powers for this central body; naturally, because the state divisions grow weaker, the central Government grows stronger, and Berlin is soon to rule all Germany. Some of the smaller provinces now unite with others in the furnishing of equipment (as Hesse has gone into partnership with Prussia), and some furnish money instead of rolling stock.

The annual passenger traffic on the German railroads is about 900,000,000 persons. More than half of these travel third-class and thirty-three per cent. travel fourth-class; eighty-eight per cent. of the passenger traffic is represented in these two classes and less than one per cent. in the first-class, so essentially is the railroad a thing for poor people. The average distance traveled is twenty miles for each person. The annual freight tonnage of the German railroads is about 400,000,000 tons. The railroads employ 550,000 persons, pay $187,500,000 a year in wages, $700,000 a year in pensions to old employees, $350,000 a year to the widows of employees, and $15,000 a year for the burial of employees. So far as any outsider can discover there is no grafting—and assuredly there is no stock juggling, bond juggling, rate juggling, rebates, discriminations, thefts, underbilling, wrong classifications, skin games, and frauds on shippers. Every shipper knows exactly what he pays and what his competitors pay, and the chief plaint of the American shipper is absolutely unknown in Germany.

On the whole, though comparisons are difficult, freight rates seem somewhat higher in Germany than in America, varying from one cent a mile for a ton to two and one-half cents, whereas the bulk of American freight traffic goes at .61 to 2.08 cents a mile for a ton. But the differences in classification tend to equalize all this. The German tariff is very much simpler than ours. There are not one thousand items in the German classification list, and with us the Western classification alone has 8,044 items, the Southern 3,664 and the American Official 9,370.

Moreover, the German shipper has three great advantages over the American. In the first place, the German rates never change; the American rates go up and down

with the exigencies of the only American rule for rate-making, which in railroad parlance is "the last cent the people will stand without rioting." In the next place the rates are absolutely the same to everybody, rich and poor, trust or no trust, campaign subscriber or peasant, Ogden Armour or Johann Schmidt—the rates are the same. In the next place there is nobody in Germany sneaking about at night, with money under his hat lining, dealing out rebates—as there is in every American shipping centre. I used to know a man in Chicago whose sole occupation for years was to hand out rebates for one railroad company to favored firms. Sometimes he used to go up dark alleys and push the money in at side doors and sometimes he used to meet a firm's agent in a saloon and change hats with him, a roll of bills being deftly concealed behind the lining of my friend's hat. I was told that he had given $60,000 in one month to the favored shippers of Chicago. For the greater part of the time he was engaged in this industry his operations were likely to land himself, his employers, and the firms he dealt with in the penitentiary and for all of the time his work was utterly illegal and strictly prohibited. When Senator Elkins, justly famed in Washington as "the Guardian of the Passes," succeeded in getting his railroad bill enacted three years ago he removed imprisonment as a punishment for rebate-giving; but rebate-giving was still a crime and still punishable by heavy fines.* Yet the Chicago firms that year after year violated the law and accepted these rebates are composed of the most eminent, respectable, and virtuous gentlemen in the city, strenuous champions of law and order, and not one of them would pick a pocket or rob a till. I suppose they have their own definitions of morality, but it is hard

* The imprisonment penalty is restored in the new railroad rate bill.

to imagine what the definitions can be. Once my friend in a fit of vinous exaltation passed the hat to the wrong man and there came near being an explosion that would have echoed through our best circles. I am told that the Interstate Commerce Commission never inquired into these matters, though it is employed for that purpose, nor into the famous "dark rooms" maintained in the railroad offices of Chicago, to which certain shippers were wont to find their way by a mysterious instinct and pick up fat rolls of bills.

There are no "dark rooms" in the German railroad offices. The German railroad system is not complicated by any rebate issues, nor by lobbies, pools, combinations, dark-lantern deals, secret compacts, crooked congressmen, purchased senators, bribed District Attorneys. No part of the railroad earnings in Germany need be set apart for the expenses of gentlemen engaged in manipulating political conventions, or in electing certain candidates and defeating certain others. That makes a wonderful difference in the practical operations of the system and a wonderful advantage to the public pocketbook. In Germany railroad rates are based on the cost of transportation, the interest on the outstanding bonds, and a fair profit on the service performed. In America they are based on the traffic manager's nerve. That, also, makes a difference.

In the next place the German shipper is never bothered about his damage claims. If goods are injured or delayed in transit the German Government pays for the damage out of hand and without hesitation. For a trifling sum you can insure the arrival of any shipment at any point within a stated time, and for every hour of delay the Government pays a heavy penalty. In America, except to favored firms and as a disguise for the illegal rebates,

the damage claim belongs to the realm of humor; it is a jest. The railroads never pay it short of the pistol point. Not long ago I was shipping a carload from Brooklyn, New York, to a place in New Hampshire.

"Owner's risk or railroad's risk?" said the warehouseman, making out the bill.

"Railroad's risk," said I.

"Foolish," said the man. "The rate is lower if you ship at owner's risk, and you couldn't get a damage claim anyway. If your whole carload were destroyed you couldn't get a cent in less than three years and your lawyer would cost more than the claim."

In Germany there is no quibbling about the responsibility of the railroad and no resort to the courts. The Government undertakes the full responsibility when it accepts a shipment of any kind. If the goods are lost the Government promptly pays the invoice value, and for leakage, shrinkage or injury it pays proportionately. When delivery is delayed the greater part of the freight charges are returned. In 1902 the German Government paid $325,000 on such claims, and in 1903, $305,000, and it was not necessary for any claimant to sue, threaten, bully, complain, wheedle, or swear over the telephone to get justice. American shippers will appreciate the difference.

There was one occasion in Germany when the Government did change the rates, and very suddenly. The summer of 1904 was exceedingly dry and the water in all the rivers was very low. Such German rivers as are navigable at all carry a commerce wholly disproportionate to their size. The upper Elbe, for instance, with about a cupful of water, is busy with steamers, barges, and rafts. The drought of 1904 left a great fleet of these high and

dry. Many were loaded with goods the delay of which was causing great distress and loss to merchants, when the Government suddenly stepped in and carried all the delayed goods to their destination at water rates, which are always and everywhere lower than the cost of rail transportation.

As to passenger business, the advantage is distinctly with the Germans. In Germany the regular first-class fares are about three and one-fifth cents a mile; second-class, two and one-fifth cents; third-class, one and three-fifths cents, and fourth-class four-fifths of a cent a mile. An additional charge of three-sixteenths of a cent a mile is made for first-class tickets on the fast through trains and of about one-seventh of a cent a mile for second and third-class. A liberal system of round-trip reductions, workmen's tickets, circular-tour reductions, and tourists' coupons brings these moderate charges down to even lower levels. Travel in Germany is cheap. In America the prevailing rate, taking the country at large, is figured commonly on the basis of three cents a mile, except on some "through" runs between large cities and where state legislatures have lately interfered for a lower rate. In certain regions it is four cents a mile. One can go from New York to Chicago, 950 miles, for $18, but this is over a few "differential lines," the regular charge being from $20 to $30. If we add the Pullman charge for accommodations equal to "first-class" in Germany, it will be seen at once that the Germans have far and away the best of it. At one time private companies supplied all the sleeping-car accommodations on the German roads. The Government is now operating sleeping-cars of its own at rates calculated to make the American traveler weary. All the

German sleeping-cars are of the compartment order, the idea of undressing in public and going to bed on a shelf not appealing strongly to the Continental mind. One can have on a German sleeping-car a room to himself with two berths and complete toilet accessories for $2.50 from Frankfort to Berlin. For the same accommodations on a Pullman car from Rochester to New York, a journey occupying about the same time as that from Frankfort to Berlin, the charge is $7 and about this difference between German and American sleepers prevails everywhere. But, of course, the American sleeping car system is one of the most monstrous grafts in the world, and the Germans have the advantage of earning no dividends, of supporting no watered stocks, fictitious bonds or inflated securities, and of having no bribes to pay legislators.

The Prussian railroads are very much the biggest and on the whole the best part of the German system. The railroads of Saxony, Wurtemburg and Hanover do well enough, but everything in Germany is overshadowed by Prussia. In 1903 the Prussian railroads (Prussia and Hesse combined), covering 31,697 kilometers (18,810 miles) of track, earned $350,140,000, with a gross profit of $147,000,000, which, after deducting the interest on the railroad debt and the usual charges for deterioration and construction accounts, left a clear net profit of $23,000,000, against a net profit of $20,000,000 in 1901. In Prussia the Railroad Department covers all the expenses of construction, extensions, improvements of whatever kind, out of its surplus instead of issuing new bonds, and in spite of all that its net profits in 1901 were 6.41 per cent. on its investment; in 1902, 6.56 per cent., and 1903, more than 7 per cent. Moreover, it should

be remembered that these percentages are calculated upon the total investment to date, including all improvements paid for from the surplus as well as the original purchase price. Hence it will be seen that Prussia has a good thing in her railroads. As the receipts increase at the rate of about 11 per cent. a year and the operating expenses do not keep pace with the increase of receipts, it appears that she has a still better thing for the future. Thus:

In 1879	the receipts were	$40,000,000
In 1882	" " "	120,000,000
In 1891	" " "	250,000,000
In 1904	" " "	375,000,000

whereas the operating expenses were:

In 1901,	61.75	per cent. of the receipts
In 1902,	61.34	" " " "
In 1903,	60.55	" " " "

and the working surplus increased from $125,000,000 in 1896 to $150,000,000 in 1904.

On the human side of these matters, the German railways carry nine hundred million passengers a year and kill or maim almost none of them. Every average month we kill more people on our railroads than are killed on the entire German railroad system in a year. But the German people object to being killed and we do not. That again makes some difference.

Nothing done by man shall escape fault and flaw. The German railroad system has its merits and defects, and its worst and most glaring defect is that all the men that work for it, half a million in number, are disfranchised and have no share in the Government. The ruling powers were determined that the railroad should never be a factor in national politics, so they took the shortest and most

radical way to that end. No political party in Germany can utilize the railroad vote, for there is no such thing. The fact is not so important in Germany as it would be with us, because Germany does not have equal and universal suffrage anyway, but it is important enough to keep alive a perpetual and well-grounded agitation. To the Socialists, naturally, the restriction is an incessant goad. It does not seem quite necessary. Switzerland has both national ownership of railroads and political parties, but has not found any reason to deprive its railroad employees of their rights. But it must be remembered that politically Germany is living in the sixteenth century.

Also the red tape tangles the railroad machine. Everything must be done in the manner of starting that train at Bomburg-Pomburg, with salutes and formalities, addresses to this bureau and that chief; and hence improvements are not to be had in a day. And yet the comfort and the speed of the trains do increase from year to year. The German people do not seem to mind the herding at the stations nor the overbearing arrogance of the men in official position, but they do complain that the Government does not extend the system so rapidly as it should and that many important towns still remain without railroad connections. The official answer to this is that the railroad profits are now a great item in the budget, and in the present state of warlike preparation the budget cannot be tampered with. The Government tries to meet the demand for extensions by building and encouraging others to build what are called "Light Railroads"; that is, short narrow-gauge lines connecting at trunk-line points. But the progress of this development is slow.

What seems to many a better-founded complaint is about the German coal rate. To help the German col-

lieries to compete in Baltic ports with English coal, a special rate, very low, is made on coal from Silesia and Westphalia. As the first object of the German Government is to push German commerce, the thing is defensible from a certain point of view, but it really taxes the rest of the country to help the collieries.

Not all the German state railroads show balance sheets equal to the Prussian. In Baden, for instance, the working expenses are 81.20 per cent. of the receipts and the net profits are only 2.39 per cent. But this is an exceptional case and Baden is a small province. In the larger kingdoms, Saxony, Bavaria, Wurtemburg, the results are good enough.

A GERMAN RAILROAD TRAIN
Putting the mails aboard

From stereograph, copyright 1907, by Underwood & Underwood, New York

TYPE OF THE EUROPEAN PEASANT WOMAN

CHAPTER IX

THE STATE AS AN INSURANCE COMPANY AND THE STATE AS A COAL MINER

I DIGRESS here long enough to point out that railroads are not the only government trading enterprises in Germany. The Government is in the insurance business and it is a miner and shipper of coal. In Germany, on the whole the last place in the world where you would look for such a thing, you can see Old Age Insurance, for instance, in full operation. The Government operates the whole machinery and, strange to say, with purely benevolent purpose, for the thing has nothing to do with war and nothing with the terrible Budget. All persons that take Old Age Insurance begin at seventy years to draw the income, whether they are able or unable to work. The premium is fifty marks a year, and this payment is divided equally between the working man and his employer. That is to say, if a working man has taken out an Old Age policy from the Government, wherever he is employed his employer must pay to the Government for him twenty-five marks a year, or $5.93. The insurance is accumulative and depends upon the age at which the policy is taken out. In the case of a man that begins at twenty the income at seventy will be about $120 a year. Thirteen and a half million people, practically the whole working-class of Germany, share in this insurance. The Government sees to it that neither the working man nor his employer dodges the

premiums. In Germany the Government can do this with ease because it never for a moment loses track of its citizens. It has a record of each of its 56,000,000 people and can at any moment put a finger upon any one of them. When a German working man changes his lodging-place he must notify the police; when he changes his employment he must notify the police; from that watchful scrutiny he can never esceape until he dies or passes over the frontier.

I said something a few pages back about the care and intelligence wherewith the German mind observes the world's developments. It may interest Americans to know that every phase of our insurance scandal was fully reported day by day in the German newspapers and most discerningly commented upon. The German editors understood perfectly the significance of the story and made the significance sufficiently clear to their readers. The result was a quiet but promising movement to induce the Government of Germany to take over the remainder of the insurance business done in the country. In other words, Germany applied to itself the lesson of the American insurance trouble just as it took to heart the lesson of Tom Scott; and it is not the purpose of Germans to have their resources absorbed for the duck-and-drake playing of insurance companies. It is odd to reflect how much we have accomplished in the world by going wrong and thus warning the nations.

The German Government also conducts a Working man's Insurance Company in which membership is not voluntary but compulsory. All wage-earners must take out policies in it and all government officers with a smaller salary than 2,000 marks a year. Others may come in if they wish, but these have no choice; the Government

enforces providence upon them willy-nilly. The insurance is against incapacity, sickness, and accident. The premium is a weekly assessment of not more than four per cent. of the average weekly wages, two-thirds borne by the insured and one-third by the employer. The Government collects the assessment and holds the funds. Ten million persons are policy-holders in this enterprise, and the payments amount to $50,000,000 a year. When an insured working man dies the Government pays his funeral expenses from this fund, allotting therefor a sum equal to twenty times his daily wage. In case of sickness payment is made at the rate of 66⅔ per cent. of the annual earnings of the insured. The Government also conducts 354 Industrial Courts for settling disputes between working men and employers, and these courts have considered 90,000 cases in a year. They have never amounted to much in settling strikes actually begun, but they have prevented some disputes from growing into strikes.

The German Government operates the telegraph and telephone systems. All European governments look upon the telegraph as a part of the postal system, and most of them take the same view of the telephone. Telephones in Germany cost $45 a year for an unlimited service in the district in which the subscriber lives, with small charges for long-distance service.

Do you suppose that Capital in Germany has looked with any favor on all these intrusions of the Government in the field of profits? Not at all. It has fought every step of the way, and sometimes it has shown that, as with us, it knows how to circumvent any government, however powerful. Lately it furnished an object lesson of that kind in the governmental coal-mining business. The state of Prussia owns and operates about one-third of the

collieries of Germany, possessing enormous fields and works in Upper Silesia and again in Westphalia. Side by side, at least, Private Ownership and Public Ownership do not seem to work very well. In the winter of 1904–05 there were wide-spread strikes through all the privately owned German mines, and the Government mines proving to be wholly inadequate to meet the demand, the coal supply broke down in the middle of the cold season. The Government thereupon concluded that obviously it must increase its mine holdings. So it decided to buy up the great Hibernia mine, one of the most profitable and prolific in Germany, and one, moreover, where strikes had been frequent and troublesome. Now the Government, in Polonius's phrase, went round to work. It carefully concealed its purpose and entrusted the purchase of the shares to certain financial agents in Berlin, under the impression that no one else would discover its intentions. But Capital learned in some way what was in the wind. There was a general feeling among moneyed men that this sort of thing had gone far enough. Some quick moves were made on the financial chess-board, and when the meeting of the company came at which the Government was to spring its trap and take possession of the mine, the trap wouldn't work. Capital had laid hands on a majority of the shares and locked them up. The Government was left, therefore, in the rather foolish position of holding many shares in an enterprise that it could not control, and the great "Hibernia" remains in private ownership.

But the coal situation is so acute that sooner or later the Government will be driven to deal with it in radical fashion. How, is not yet clear, for law-dodging is an art fairly known even in Germany. With the intent to secure at all times an ample coal supply Section 65 of the mining

laws enjoins upon all the mining companies that they shall open up their coal-fields and produce coal as rapidly as public interest requires. The coal companies, perhaps taking a leaf from the American Coal Trust's book, construe this to mean that public interests first demand good fat dividends on coal stocks, and keep many mines idle and many coal-fields unworked. The Land Reform Party in Germany has taken up the agitation against the mine owners; the Government, with its navy to supply and, moreover, irritated by the "Hibernia" incident, is nothing loath, and something is due to drop on the mine owners.

Trusts make small headway in Germany because they can play no tricks with railroad rates and get no advantages over their competitors. No man with eyes in his head can visit Germany and fail to see that the railroad system with its cheap and easy conveniences is a great boon to the masses of the people. But so far as the World's Problem is concerned you will get little answer of hope here. While the condition of the German working man is better than that of the English working man, while the slum dweller of Germany may be a barbarian but is never a physical degenerate, yet caste and class dominate in Germany as in England, the great inherited estates envelop and absorb the country's resources, the palace and the slum lie side by side, superfluity and penury touch elbows. Out by the Thiergarten in Berlin you shall see rows of the most beautiful dwellings in the world, great marble structures of an entrancing and flawless architecture, costly enough to make a king's ransom. And in another street the children fight for crusts.

And once every year, on New Year's eve, the slums shake the palace; for then the slums empty themselves

and howling, ragged savages, the products of inequality and autocracy, the natural fruitage of a system that denies opportunity, pour through the streets in such huge mad mobs as even the Berlin police are powerless to control. For that one night riot holds Berlin, not merrily but with sour joy in mere destruction and violence. Then the peaceful citizens flee to their houses; signs are torn down, barricaded shop windows broken in, unlucky wayfarers caught and stripped in the streets, and nothing but a charge of cavalry can disperse the rioters. No witness of that most strange and menacing spectacle has any faith in Germany as a pioneer of the world's relief.

CHAPTER X

ITALY MAKES A BOLD VENTURE IN GOVERNMENT OWNERSHIP

ONE morning at Florence, two or three years ago, they were trying to start the train for Genoa. All trains were hard to start at Florence, but this train seemed possessed of an evil and perverse spirit of delay beyond ordinary calculations. The day was hot, the station crowded, and the fierce scramble in the baggage-room, the jostling and shouting of passengers struggling to get their baggage registered, the mad racing up and down the platform to find a car with a seat in it, the incessant running footsteps of trainmen and porters, and the confusion that seemed as hopeless as causeless added unnecessarily to the temperature. The train was made up at Florence, its destination was only 102 miles away, by some misconception of speech it was termed "rapid," and yet it was tardy in starting, and every experienced traveler knew that it would be tardier with the passing hours. The station was like an oven, the cars were filthy and unventilated, the uproar and too evident lack of order and mastery would have been trying to the most serene composure. A full half-hour after the scheduled leaving time, with a final outburst from excited guards, conductors, station men, and soldiers, the thing got under way And then, in a corner of my compartment a weary compatriot of mine, I think from Indiana, polished his steaming forehead, looked out upon

Giotto's tower, now growing slighter in the distance, and said:

"Well, we mayn't know a heap about art, but we can railroad."

And his friend and fellow-American glanced at the sagging racks overhead from which tottering valises threatened him with imminent disaster, at the unkempt car and ancient upholstery, and from the depths of a solemn conviction panted:

"You bet!"

They were of a mind with the rest of us. Of all the countries of Europe wherein Americans make pilgrimage, Italy had (in those days) the most abominable railroad service. Nothing was good about it; not even was it quick enough to get you with merciful speed out of your misery; and a needlessly irritating feature was the inveterate lateness of the trains. Americans amused themselves by speculating on the occult purpose of making time tables, since no one heeded them. I kept a record during three months of residence in Italy and noted but one train that did anything on time. That was a train from Como to Milan that left as advertised.

In those days all Italy was divided into three parts so far as the railroad loot was concerned. A company called the Rhætia-Mediterranean took about half of the peninsula, another company called the Rhætia-Adriatic took the other half, and a third company held all the lines in Sicily. That was all. It was a good thing—for the companies. Orginally the roads had been built, equipped, and operated by the Government; but after a time, for some reason, Italy abandoned the railroad business and turned the lines over to private capital. The companies having this gold-mine thus cleanly prepared for them did

nothing but work it—at the public expense. With no vestige of competition anywhere, they did as they pleased. Persons that lived in Texas when Jay Gould got the Missouri Pacific and Iron Mountain railroads will appreciate the situation in Italy. So will some other persons.

The equipment on the Italian roads was, in general, exceedingly bad. These are not the words usually applied to it by an indignant public, but they may convey the idea involved in these (I regret to say) profane utterances. Some of the locomotives in use were museum curiosities and some were so much junk. The magnificent machines of the French roads or the new American-type engines of the Swiss Government used to whirl the through trains down to the Italian frontier, and a special Providence cared for them the rest of the way. Coming north the French and Swiss railroad officers always expected the trains to be delivered to them late and made according arrangements that were seldom unjustified.

The stations in Italy were mostly antique and inconvenient, and except in the main through lines the roadbeds were like those we have out West in those unlucky regions where the Milwaukee and the Northwestern come to an agreement about skinning the people. Usually trains moved so slowly that the most one could say with confidence was that they were better than walking. I lived for a time in a town eighteen miles from Naples, and we used to go up to the city by fast express trains in an hour and a quarter; other trains, two hours. The idea seemed to be barely to beat the time of a carriage and pair, but the race must have been close. I have seen performances in making up and switching Italian trains that were far funnier than vaudeville. Once I waited thirty-five minutes on a station platform while the engineer

amused himself in alternate conversations with a friend at the water-tank and deliberate preparations to pick up two cars on a sidetrack. No one seemed to care. All men understood that the companies existed to gouge what they could and for no other purpose. Robberies of travelers' baggage occurred daily; they had grown to a national scandal, and persons going to Italy were solemnly warned by Baedecker and others to keep their belongings constantly in sight. The only way to be sure that your trunks would not be forced and plundered in transit was to send them through a forwarding agency, which insured them against theft and sent an armed man to guard them to their destination. If you transported your baggage in the ordinary way, you had one chance in five that it would go through unrobbed. The train service was insufficient as well as slow and uncomfortable. In winter first-class cars were supposed to be heated by a can of hot water placed upon the floor. On this you were to put your feet, the apparent design being that if the rest of your body froze your feet at least might be rescued—possibly for identification. The idea seems somewhat vague, but in any case it was fallacious for the reason that the water-cans were invariably cold. Those of merry soul used to say that they were iced, and the cars had some function in cold-storage or refrigeration. The Italian people, who are just as honest, capable, and desirous of good as any of the rest of mankind, chafed under all these inflictions which they were powerless to remedy. The tripartite division of the graft blocked every reform. It was a "gentlemen's agreement" of the perfect kind; it was a "traffic arrangement" and a "harmonious understanding about territory" carried to the logical limit of such things. If the Italians did not like the service they

could leave it, and often in that respect the situation used to remind us of home.

All this, of course, relates chiefly to passenger traffic, and has bearing on the comfort, satisfaction, and purses of individuals whose troubles were not always compulsory. Hence they are considerations of little moment compared with the status of the nation in the life-and-death struggle of industrial development. Far more important were the complaints of shippers and consumers incessantly raised against the delays, the slow deliveries, the high rates,* and the maddening annoyances of poor service. Italy in the last seven years has had a notable business awakening, but I think it has been more hampered by bad railroad service than by any other cause. Not even the heavy taxes were a burden comparable with that.

From the straight path of my narrative I have digressed here a little to make plain the most interesting problem of the day concerning public and private ownership. The Italian people grew very weary of the tripartite sharing of their country, the leases expired, and early in 1905 the Italian Government rather astonished the world by taking over the whole railroad system. And now the question is whether a government, poor, not very capable, burdened by enormous expenditures in other directions, with a huge armament astride its neck, with archaic and feudal forms clogging its feet—whether it can master the financial and physical difficulties involved.

The purchase price to the railroad companies for rolling-stock, improvements, accessories and claims was $120,000,000.

* About the rates some allowance should be made. The cost of construction of some of the Mediterranean lines, for instance, was enormous. The road from Spezia to Genoa was hewn most of the way through solid rock. In fifty-seven and a half miles there are seventy-two tunnels, a piece of construction unparalleled in the world.

Instantly the Socialists, of whom there are many in Italy, began the Government's troubles by a fierce assault upon this price, which they declared was monstrously extravagant and amounted to an appropriation of the public funds for private profit. They declared that the Government had played into the hands of the companies, which for years had enjoyed too great opportunities for plunder. Unluckily they had some demonstrations of facts and figures of an unanswerable kind, and the Government did not make a particularly gallant showing under the assault. Doubtless it could make no better, for I suppose here was merely another of the illustrations familiar around the world, of the subtle and intangible power of Capital to sway governments and raid public funds.

But the thing was done, and now the Government is on trial with its use of the system it has acquired. The strongest friends of Public Ownership looked with doubt and dismay upon that experiment. Before the problem of rehabilitating a system so far gone to wreckage the most experienced railroad men might have faltered. But about the idea of the Common Good there seems to be some impetus or inspiration that makes ability and solves difficulties. On all sides it is agreed that the first year of government railroad ownership in Italy showed notable improvements. I have before me the careful and obviously impartial study of the situation made in July, 1906, by investigators for the London *Morning Post*, and the conclusion reached thereby is that truly admirable things have been done by the Government managers. The financial results can be shown only by years of trial, but there is now general faith that even these will be satisfactory, notwithstanding the huge purchase price.

All friends of Italy will hope so, for upon these operations will depend much, very much, for one of the most deserving peoples in Europe. It is strange, and to many observers it has been perplexing, but the old vital principle is so strong in the Italian race that year by year, against the burden of the most untoward conditions, it rises in the scale of wealth, progress, and material success. In spite of the great tide of emigration, in spite of taxes calculated to crush to earth any other people, in spite of a ridiculous clinging to medieval ideas of government, the population increases, the general wealth grows.

If now there can be a system of transportation for the great agricultural products and increasing manufactures of Italy, a system that will give the thrifty farmers a chance to get their produce handled promptly, cheaply, and without discrimination, in the next ten years the Italians will show a development to make the world marvel. A nation that can carry its present load and still thrive under it has enormous possibilities if ever it win anything like a fair opportunity. And in the fulness of time the fair opportunity seems within sight.

CHAPTER XI

PRIVATE OWNERSHIP IN GREAT BRITAIN—GREED AND THE STARVING PEASANTS

THE Italian railroad service in the old days of individual loot illustrated one extreme of private ownership in Europe, and the best systems of France and of England illustrate the other. All the English railroads and eighty-five per cent. of the French are privately owned. In this respect England and France stand almost alone; practically all the rest of Europe has gone over to Public Ownership in the matter of railroads. Three in four Englishmen will predict to you that in a few years, five, ten, twenty at the most, their Government will absorb all the English roads. I do not know; but the Public-Ownership movement in England is so tremendous that the prophecy seems safe. After observing for a time its most radical phases I should not think extravagant any prediction about that movement. It might achieve almost any development.

But when the English Government undertakes to gather these railroads it will have its hands full of the task, as you shall see.

It is very much the custom in our country to regard our problems as peculiar to ourselves. We are not accustomed, for instance, to think that any other country has its struggles with corporations, money mania, the "System," corruption, political debauchery, influence, the monstrous cruelty, rapacity, and savagery of unfettered and organized

Greed; but in truth these conditions are world-wide. Some differences of names, some of methods are to be seen here and there, but the essential principles of the contest between the decent instincts of man and his gainful appetites remain the same under whatsoever sophistical disguise. We do not officially admit that human slavery exists on the Congo and in the South African mines, but we know perfectly well that it does exist in those regions and differs nothing from the human slavery that we suppressed by our Civil War. We do not hear much about political and official corruption in other countries, Italy and Russia, for instance, but sometimes it is as richly developed abroad as here. In the same way, to come to the instances I have in mind, the recent Cunard Line contract in England, the contract by which the Government used the national funds to supply a private corporation with new ships, was as rank an example of pull and influence as anything we have achieved—as rank, and somewhat ranker. It outdoes our fat mail subsidies to Mr. Morgan's American Line, or our Government's tenderness for the Beef Trust. Nothing could make it worse except the defense offered for it. We are told it was advisable to help a British company to compete with the fast new German boats. If that argument were good for anything you could defend with it any perversion of government functions for private profits.

Or consider that sinister alliance I have before mentioned between the British Government (when Mr. Balfour was premier) and the British Telephone Trust, a thing that has a hallmark both familiar and evil. The Telephone Trust had certain lines and the Government had certain other lines, and the agreement, as reported in the London newspapers, was

"to prevent rate-cutting and provide a division of territory." It is hard to see what more any trust could ask of any government. The British Telephone Trust is an offensive and grasping monopoly; it exacts exorbitant rates and it meddles with politics for its own great gains, and by this strange agreement it secured the Government for its partner. We have seen in the story of the fight at Tunbridge Wells how the Trust manipulated elections and how in its schemes against the citizens it had the national post-office department for accessory. These things do not look as if the British corporations needed instruction from our own nor as if the situation in Great Britain were essentially different from the situation in the United States. No, nor anywhere else. All about the world the one fight goes on and hardly is there any corner wherein the problem of keeping greedy hands from the throat of free government is not chronic and growing.

The British railroad companies have shown that in these matters they are at least as acute and intelligent as other corporations. Some years ago a movement reached Parliament to compel the railroads to furnish their cars with automatic safety-couplers, like ours. You must know that almost the only persons killed on the ably managed British railroads are employees, and most of these are killed while coupling cars. I may observe in passing that the only place in the world where such killings are regarded as very important is Switzerland. But some humane Englishmen did agitate for improvement, as they so often do, and the necessary bill was introduced. The companies opposed it because of the expense involved; to kill employees is always cheaper than to provide safety appliances. The companies pulled two or three wires in Parliament, and the bill was killed. I suppose the methods

of its killing were similar to those that the Standard Oil Company has used successfully whenever the British Parliament has attempted to raise the "flash-point" test for oil. Not necessarily bribery, practical or moral, but the kind of manipulation and subtle influence that keeps the American Congress from dealing with the American railroad question. We have our "Guardians of the Passes" in the United States Senate, and Great Britain has its Parliamentary good friends of the corporations.

Or to take another illustration. The weight limit of a parcel you can send through the American mails is four pounds; that of a parcel you can send through the British mails is eleven pounds. In America, Mr. Platt and the express companies (owned by railroad directors) for their own profit keep down the limit; anything more than four pounds you must send by the express companies. In Great Britain the railroad companies keep down the limit for the same reason; anything more than eleven pounds you must send by railroads. We agitate for an enlarged parcels post; so do our British friends. The express companies defeat us, and the railroad companies defeat them.

I conclude, therefore, that if the sanguine British prediction is ever fulfilled and the British Government is ever so transformed that it will seriously purpose to dispossess the British railroad companies, it will have enough of a job to keep its interest from flagging. When the British Government absorbed the telegraph lines it paid for them just ten times the amount invested in them. The British railroad companies are powerful enough and clever enough to do at least as well as that.

The privately owned railroad system of Great Britain is excellent; it affords speedy and efficient transportation;

the service is extensive and safe. British railroad trains are generally fast, and accidents are few; even in such a tremendous traffic as that out of Liverpool Street Station in London the accidents are amazingly few. Rates are high. Merchants and shippers complain much about the freight tariffs, which are pretty steep, but the cost of building the English roads was great. I do not know that the rates are unreasonable in view of the fact that grade crossings are rare and so much of the lines is constructed through towns and cities on great masonry arches. The restraint of the railroad companies is in the hands of the Government Board of Trade, which has some genuine jurisdiction over rates and management: it does what that comical and fatuous body, the Interstate Commerce Commission, is supposed to do for us and does not. Hence, in Great Britain rebates, discriminations, and secret contracts are more difficult than with us. Yet rebates, discriminations and secret contracts exist in Great Britain. Wherever in this world two railroad companies are scrambling for the same shipments there will be rebates or something answerable to them. Their absence would be like a vacuum, a thing abnormal. The human mind has not yet been ingenious enough to prevent these things. Shippers do not choose one line or another because of scenic attractions. I have heard railroad men assure the Interstate Commerce Commission that this was the basis for the shippers' preference, but everybody except the commission knew they were lying.

Where the rebate enters the English railroad system is chiefly through the convenient loophole called "underbilling," a thing extremely common in our own country when railroad companies wish to grant secret favors to heavy shippers. Underbilling, you understand, is shipping goods under one classification when they belong under

another. The American Beef Trust underbills about one-third of the freight it ships. Dressed beef has a higher rate by the hundred pounds than the rates charged for lard and the other things called "packing-house products." Therefore, whenever it can, the Trust ships its dressed beef as "lard" or "packing-house products."* The same thing is done in England and wherever else railroad companies are competing for business. We have much more of it than England has and for a simple reason. Both countries seek to suppress the practice; but in England the law is enforced upon offenders when they are caught; with us it is not. While I was in London one of the courts had before it a citizen of eminent respectability charged with shipping bird-cages as "hardware"—hardware taking a lower rate. He was convicted in less than an hour, if I remember correctly, and the fine assessed upon him would make an American rebate-grabber gasp.

The English Government insists upon regulating the railroads, not being regulated by them. It can order the railroads to reduce any rate that seems excessive, and the reduction goes into effect without any blockading by injunctions. In England they have never experimented much with government by injunction.

I have in mind now a hearing (in the old days) by the Interstate Commerce Commission of some charge involving the whole great principle of transportation equality —keeping the national highways open, you know. One of the commissioners slumbers gently, his mouth agape, his head tilting rearward. Mr. Marchand, the attorney for the commission, has on the stand a witness that, having committed perjury five times in the last ten minutes, has

*See Official Report of the Interstate Commerce Commission Hearing, Chicago, October 12-16, 1904. Nothing was ever done about the revelations made at that hearing.

fleeting glimpses of the penitentiary and is exceedingly uneasy in consequence. The course of the examination drives toward the extent of the rebate system. Mr. Marchand is extracting it bit by bit. We are on the verge of finding out why the national highways are not kept open, when some commissioner suddenly pipes up:

"Mr. Marchand, what do you expect to prove by all this?"

Mr. Marchand says he expects to prove so-and-so.

"Well," says the commissioner, "I think it is unimportant. The witness has already answered your questions. We will proceed to something else."

They would not understand that in England where the useful use of making a loud noise and accomplishing nothing would seem to lack the development and finish we have given to it. In England inquiries about railroad charges are conducted in the manner of an English court—short, sharp, thorough, and impartial. The Government not only believes that the highways of the nation's commerce should be kept open to all on equal terms, but with the deeds that back up words it keeps them open in that fashion. Hence the British public fares with its railroads immensely better than we fare. The British railroad system has its faults, but they look like virtues when compared with the knock-down and drag-out methods we tolerate from American railroads.

And yet, strangely enough, this subject embraces one of the most instructive examples I have ever found of the huge evils wrought by corporation greed, an example that shows once more how needless is poverty, how wanton and inexcusable is the suffering inflicted by man upon man.

For many years the state of the people of Ireland has caused great concern to the thoughtful in England and

elsewhere. The soil of Ireland is very fertile, the climate is good, the inhabitants are industrious. The country should be very rich; it is very poor. The population should increase; it dwindles alarmingly. Ireland could support forty millions of people; it does support only five millions. The first causes of these conditions, forming on the whole the most frightful story in history, are outside of my present province. Years of agitation and appeal, backed by the too eloquent census figures and other eloquent things, have forced some small measure of relief. The terrible pressure of landlordism has been a little relaxed; the old system of ruling Ireland like a conquered and rebellious province has been reformed; the more humane purpose seems at last to have prevailed; in Michael Davitt's excellent phrase, feudalism has met a tardy downfall: for the first time in centuries there is some recognition of the simplest ideas of justice.

And now, what?

And now the greed of corporations and the thirst for gain among the powerful step in to nullify these benefits. By a kind of fiendish malignity, just as poor old Ireland, so long held to the grindstone, plundered, maltreated, and garroted, sees now a glimpse of some possible prosperity, the railroad companies bar the way with extortions. Legislation that would have released the railroad clutch at her throat would have been more useful to Ireland than this Land Purchase Act that everybody praises and nobody understands. "At last Ireland has a chance!" cried the world's press when that act was passed. The bitterest irony in the world is of unconscious phrase. The chance thus rapturously hailed for the Irish people, or for most of them, was a chance to starve.

Let us see. In present conditions the one opportunity

for the Irish farmer is in dairy products. For these he has exceptional advantages, a moist, moderate climate and rich pastures. Irish butter is probably the best in the world; its flavor is marvelous, to quote Jeremy Stickles. Here is an enormous market for dairy products right at Ireland's door; for London and most of England must import butter. The distance is short, the transit is quick. Ireland can raise almost unlimited quantities of dairy products—and yet Irish butter, for all its excellence, is rare in England. Of what use is land to the Irish farmer if he cannot get his products to market? He might as well be on a coral reef in the Pacific. The rates charged on the Irish railroads shut him in as with walls. Here is a multiplicity of small lines, separate companies, all owned in England. The stockholders have no concern except to get their dividends regularly and in large sizes. The arrangements for through transportation are defective. Each little road maintains its own gouging tariff, each insists upon its own pound of flesh; the resulting charges are probably without a parallel except in the remote and mountainous regions of the world.

In the markets of England the Irish farmer must compete with the dairymen of Denmark and Holland. He is prepared to do that if he can have any fair chance. But a Danish farmer thirty miles from Copenhagen can transport his butter from his farm to London for less than the average Irish farmer must pay to the nearest seaport in Ireland. You can send Danish butter from Copenhagen to Cork more cheaply than you can send Irish butter thirty miles by rail in most parts of Ireland. You can even bring Danish butter by steamer to an English port and then deliver it by rail to any city in England for less than the Irishman often pays to his seaboard. Naturally the

Hollander, being nearer than the Dane, has a still greater advantage, and naturally, also, Dutch and Danish butters dominate the English butter imports. In these conditions the Irish farmer is tied hand and foot and delivered to his enemies; for what is true of his butter is true of everything else he can produce for sale. He is, therefore, reduced to the primitive state of raising things only for his own consumption, which in a country like Ireland, of limited range of products, means that he lives on potatoes and milk—an exceedingly thin diet whereon to rear men and women.

In the meantime, kind souls in England favor the unlucky peasant with much suggestion as to what he should and should not do. Why doesn't he go in for sugar-beets? They are so profitable. A French farmer cleared £4 an acre with sugar-beets. Why doesn't he raise tobacco? The soil of Ireland is exactly suited to tobacco. And then there is always flax—flax is the thing for Ireland. And if he would only try a diversity of crops he would do well. Let him try rutabagas; there's a fine, rich vegetable. And none of these prescriptions being taken, the doctors presently give up the patient and announce that if the Irish peasant is poor his poverty is his own fault, for he will make no effort to better himself. I have observed that this comfortable doctrine is of wide and varied application. Are there any poor anywhere in the world? Well, why don't they get rich? All they need is the right spirit and proper application. They do not get rich? Then it is no concern of mine. Perhaps they enjoy poverty. And besides, Providence knows what is best for them. Shall I fly in the face of Providence?

An Irish friend of mine has made a collection of pamphlets, editorials, articles, newspaper letters, addresses

and lectures, showing how easily Ireland can be made prosperous if the peasants will only do this or the other or something else. It is a sweet showing. None of these doctors seems ever to have reflected that it would do the Irish peasant no good to have a million sugar-beets if he could move them nowhere, nor that very likely the Irish peasant could take care of himself if he had some kind of a chance in the world.

You can see now how wise was the German Government when it said "whoever controls the transportation service of a country controls that country." When all has been said that can be said against the German system, at least this remains, that in no corner of the German Empire could a community be crushed by the overgreed of a railroad corporation, as the Irish dairy farmers are crushed.

Of course the stockholders of the little Irish railroads are not consciously trying to oppress the peasants. But they must have their sacred dividends; and how the dividends are secured is, after all, you know, the affair of the managers, who would promptly lose their places if the dividends were not forthcoming. I suppose most of the stockholders in the Rand gold-mines were not consciously establishing human slavery in South Africa; the stockholders of American railroads are not deliberately violating the law to help the American Beef Trust. But the oppression is there, the slavery is there, the Beef Trust thrives, and all these things come about through corporation iniquity, which we have agreed to regard as something very different from individual crime.

Yet you see that poverty, want, destitution, misery, darkness, bad air, bad food, stunted bodies, stunted minds, are not the normal conditions of mankind. The soil of

Ireland is fertile enough to support in comfort eight times the Irish population. Around London is enough land to give every tallow-face in Stepney a decent home. The starving peasant of Ireland and the starving creature in the subcellars of Stepney are alike the products of the abnormalities of greed, in one case of the grasping railroad companies, in the other of the fuedal land system. Let us shut our eyes to both and, plunging cheerily along our accustomed way, trust to luck. After us the deluge. Nothing in this world is so sure as the revenge of the slum upon the race that tolerates it. But our children must pay the bill, not we.

CHAPTER XII

FRANCE—A SYSTEM OF STATE CONTROL WITHOUT OWNERSHIP

THEY order these matters better in France.

In these days the real measure of any nation's success is what it does to protect the weak from the strong, to defeat greed, and to secure for its citizens freedom and opportunity. Of the resulting contest are a thousand aspects that might be considered with as much profit, but I take the transportation system as a type, and still more because it is through the miscontrol of our own transportation system that we have suffered most. The heart of our Trust troubles is there; the birth of the "System" was there, and the origin of all our colossal and menacing fortunes.

In France nearly all the railroads are owned by private corporations. Of a total trackage of 30,000 miles the companies own about 26,500 miles, the Government owns 3,407 miles. Those that believe that the solution of our troubles lies in government control and not in government ownership can find much to interest them in the examples of France and England. In both countries the Government controls but does not operate, but the methods of control are different. In England there is general supervision and regulation; in France the Government takes part in the actual direction, supervises the workings of the lines, and can interfere at any time in any way it sees fit to modify rates or make any other changes it may

desire. The French railroads operate under the eye of the National Minister of Public Works; they are essentially attached to his department, and are subject to severe regulations and restrictions that for a very good and sufficient reason they cannot disregard.

There are no perpetual franchises in France, and the Government can for cause forfeit any railroad company's charter and take possession of its property.

The railroads, therefore, operate with extreme circumspection, the Government's word is final, and there is no chance to manipulate congress or commissions, no federal judges to interfere, no lobbies, and no weird performances by legislatures.

The plan seems to work well.

Eventually all the French railroads will pass into the Government's hands. That is settled by statute. A growing party in France demands that the time be hastened and their efforts do not add to the confidence of the railroad companies. Hence the railroad problem in France is not acute.

When the time limit shall have expired and the railroads become public property, France will be the richest nation in the world—if, meantime, all goes well.

The present national debt of France is $5,861,800,000. The cost of constructing the railroads the nation is to acquire has been, up to date, $3,800,000,000. Hence when the railroads become the national possession they will almost obliterate the national debt, for they will be acquired without effort and almost without expenditure, and their value will be far beyond their construction cost.

All this is provided for. The first railroad franchises in France were granted in 1823. The experiments were not wholly successful, and the Government took

hold to help, for it perceived that railroads would be necessary to public welfare if they could be made to work. In some cases the Government made loans to the companies. In others it guaranteed the interest on their obligations. By 1842 the railroad projects had advanced to a condition in which a network of lines was in sight, nine main railroads, all to centre in Paris. To these the national Government contributed substantial aid; it built stations and constructed some of the road-beds. It also obliged the local governments to assist by contributing needed land.

Partly on the basis of these contributions, and partly because railroads in France are regarded as occupying public highways that can never be alienated from public use, the Government granted each franchise with the stipulation that after ninety-nine years the railroad and all its immovable belongings of whatever description should become the property of the nation without further proceedings and without expense. These belongings are carefully enumerated. They include tracks, road-beds, rights of way, stations, offices, workshops, factories, foundries, all machinery for the installation of power, and storehouses for supplies. The Government is to purchase the rolling-stock at an appraised valuation—provided the company does not owe anything to the Government; if it does the debt is deducted. The company must maintain the standard of its equipment. These were the original franchises. All latter-day provisions have been so made that rolling-stock, tools, and all other possessions of the company shall pass to the Government without purchase.

There are now six great railroad companies in France. The franchises of their main lines will expire at different

times between 1950 and 1960, the franchise of subsidiary lines from 1980 to 1985, and the franchises of the Algerian railroads from 1975 to 1978.

In the meantime if the Government be in any haste it can take over any railroad it has appetite for in either of two ways.

It can forfeit the franchise or redeem it, and both courses have been followed by the Government. Forfeiture is a workable device for failure to fulfil obligations, for becoming a public nuisance, or for other causes. Grave failure in obligations either as to construction or operation, is a good enough reason to forfeit franchises in France. But in case of forfeiture the state does not seize out of hand the offending railroad. The property is first put up at auction. If no satisfactory bids are made at two offerings the Government assumes the property. The law does not compel it to buy the rolling-stock, but usually it makes the purchase on a valuation fixed by experts.

Forfeiture is the last resource of the offended Government, and not welcomed, though it has been used at times. But the hanging of it over the heads of the companies is a highly beneficent terror, like the similar threat that the city of Boston holds over the Boston street-car lines. A club like that is a handy thing in the governmental house. The decision about forfeiture or no forteiture rests with the Minister of Public Works. It strikes an American as odd that no courts take a hand in the proceedings and no lawyers hand up choice offerings of verbiage in the shape of briefs. If the railroads think they are badly treated they can appeal, but the appeal is not to the courts, but to the Council of the Prefecture, or to the Council of State. Whatever the Council decides is the final word.

The Minister of Public Works is slow to pronounce forfeiture on extensive enterprises, but with good will when there is occasion he lays upon the companies heavy monetary fines.

When the redemption weapon is used, the state makes sure that the honest investor does not lose. The schedule of clauses and conditions in the franchises usually indicates the manner of calculating the price of the redemption, which merely means that the Government buys back the franchise it granted. If there is no stipulation, the price is fixed by a commission of award. Hence the Government is in this position: it can wait until the franchise term expires and the fruit falls from the tree, or it can buy back the franchise at an appraised value before the date of expiration. This makes the Government extremely independent and enables it to boss instead of being bossed, which is much more comfortable. In France you would actually think that the railroads were the servants of the country and not its masters. I suppose the French do not know what is good for them.

An odd little feature of this redemption or buying back is that when the price is determined there is no payment of a lump sum, but an annual contribution to the ousted owners until the time when the franchise would have expired. This is estimated on the results of the last seven years of the company's workings, omitting the two worst years and without going below the profits of the last year. Moreover, the company receives whatever would be due it, on the expiration of its franchise, for rolling-stock and tools. The upshot of this is that the stockholder loses nothing, and the Government takes no undue advantage.

By forfeiture and by redemption of franchises the Gov-

ernment has acquired the 3,407 miles of railroad that it now operates. It can redeem, if it should wish, the franchises of any or all of the six great companies, for their original franchises gave it that right after fifteen years, and the fifteen years expired long ago. It is the absolute master of the situation. It can do as it pleases; there is no railroad company in the world that can terrify it or any member of it. If there is any terrifying to be done the Government does it, not the railroads.

The Government of France, which is to say, the people of France, extract many solid advantages from this arrangement.

The railroads must carry free of charges all officers of the national customs and all their assistants when they travel on government business. The Government has representatives of its own connected with the management of each railroad owned by private capital. Their duty is to see that the conduct of the road is in accordance with the instructions of the Minister of Public Works, to whom all the railroads are responsible. These officers not only travel free, but the railroads must bear the cost of their services, the Government being reimbursed in lump charges or by fixed sum for every kilometer traveled by the government officers. The railroads must grant certain concessions in the interest of the public welfare and not connected with government service. Thus all soldiers and sailors, whether traveling in troops or singly, and whether on service or on leave of absence, are charged only one-fourth of the regular fare for themselves, their baggage, and their horses. As in France military service is compulsory and universal, the tax thus imposed upon the companies is rather onerous. When the armies are mobilized or concentrated, for transporting them and all required war

material the entire resources of all the railroads are at the disposal of the Government at half-price.

With the pass-bribery nuisance France deals in summary fashion. Railroads have no chance to win the goodwill of French deputies and senators by surreptitious favors. Every French senator and deputy has by law an annual pass on every railroad. This the Government compels the railroads to furnish. Then the Government deducts for the pass ten francs a month from the pay of the senator or deputy. The railroads get nothing. That is the extent of that performance. The passes are provided to afford the senators and deputies opportunity to acquaint themselves with conditions in the country and every part of it.

The president of the republic must be transported on public business at the expense of the railroads. That is the law, and the service entails no kind of obligation on the president's part. Even if the companies were to furnish him with a special train of beautiful cars, that would mean nothing, because they are obliged to transport him with their best devices anyway.

The railroad companies must operate their trains to suit the Government, and they must build branch and connecting lines wherever and whenever the Government directs. Often the companies groan in anguish over this provision, because the Government is continually ordering the building of branch lines to places where there is no profitable traffic. The pained companies sometimes accuse deputies of bringing in bills to make these extensions for the sole purpose of increasing their popularity with their constituents, just as an American congressman moves for new rural-delivery routes. I do not know how true this may be. In the view of the Government it is unim-

portant however true. In the Government's view no unnecessary lines are ever constructed. If they are not profitable now, they will be profitable hereafter. And besides the companies gouge enough profits from their main lines to enable them to contribute something to the public welfare. You will observe that the widows and orphans of the French Wall Street get very little consideration from this Government.

The railroads must give every facility for placing and operating the Government's telegraph lines that run beside every railroad track, and must carry free of charge all officers charged with the direction and maintenance of the telegraph service.

They must also do one other thing of notable and instructive interest to every American.

They must transport the mails practically free of charge.

I suppose I have not the space here to go fully into that rottenest of all American grafts, the swindles perpetrated by the railroads in their mail contracts, but to the uninitiated I can at least give an outline of the iniquity.

The United States Government loses every year not less than $15,000,000 to the railroads of the country by a process that is till-tapping on a huge scale—till-tapping with a touch of stealing from the person and something of the "kinchin lay" exploited in Mr. Fagin's school of crime.

In the United States, I need hardly say, the Government pays the railroads for transporting the mails, and every mail contract with every railroad is a fraud and a steal.

The railroads charge the Government of the United States two and one-half times as much as they would charge any private person or corporation for exactly the

same service. And the Government pays the thieving charge. Year after year it pays it. And not a congressman will dare to raise a protest against the robbery.

The whole thing is of record. In 1896 a committee of the National House of Representatives had before it testimony laying bare the vast larceny in all its details and the facts about it have been for years perfectly well known in the national post-office department. But not a postmaster-general will protest against the fraud, not a department officer will report against it. Nothing has been done to stop the thieving, and nothing will be done so long as in this country we regard a thief as anything but a thief.

From the mass of available illustrations of these matters, I select these:

1. I had in my possession once the affidavit of a Colorado railroad man explaining part of the mail-carrying game. Once every four years, the Government weighs the mail carried on each railroad. The weighing goes on every day for thirty days, and on the resulting average the price is made for the next four years. The time of the weighing is well known to all concerned. This witness, a station agent, swore that at weighing time on his road he used to send old city directories, pieces of coupling-pins, old bolts, and bits of paving stone day by day to the division headquarters of his road and get them all back. A slice of a grindstone, he said, had made the round trip thirteen times in the thirty days. All the stations on his road performed the like tricks, with the result that for the next four years the Government paid for a weight of mails more than ten times as great as was ever carried after the weighing season.

2. The case is well known of a Western congressman

that, in the weighing season of the railroad that elected him, used to frank 50,000 copies of his speeches to Chicago one day and back to his home the next.

3. A few years ago the Chicago, Milwaukee & St. Paul Railroad was charging the Government $80,000 and one of the express companies $30,000 a year for the use of its cars in South Dakota. The accommodations given to the Government and the express company were exactly the same. But the weight hauled for the express company was ten times the weight hauled for the Government.

4. The railroad companies own the postal cars and the express cars. They charge the Government from twice to four times as much for hauling a postal car as they charge the express companies for hauling an express car the same distance, although express cars are usually the heavier. For the use of postal cars the railroads charge the Government about $6,000 a year. The cars cost to build $5,000 to $5,500. The railroads make them of flimsy stuff and put them at the front of a train so that in case of collision the postal cars may be buffers for the others. Incidentally some underpaid and badly treated servants of ours ride in those cars and are thus hourly exposed to the danger of murder. But the Government does not mind.

These are mere examples. You can pick up a hundred like them if you go to Washington. The Government is a good thing to the railroads.

Not in France. The French people do not care to have the taxes they pay diverted to the pockets of money-grabbers.

CHAPTER XIII

SWITZERLAND—GOVERNMENTAL PECULIARITIES OF A STRANGE PEOPLE RESOLUTELY DETERMINED UPON DEMOCRACY

THE most instructive of human observations seem to pertain to differences in the point of view. Thus, I am an American, let us say, making an automobile tour in Switzerland. On a summer evening I come bowling up one of these entrancing Alpine valleys, perhaps from Spiez to Kandersteg. I roll past the chalet of a Swiss farm, and there at the open window, maybe, sits the farmer, smoking his pipe and looking out contentedly upon the wonderful changing glow on the mountains, the dazzling great white pyramid of the Balmhorn, the shadows creeping toward the timber-line. I look at the farmer and he looks at me, and he seems to me a poor devil and rather to be pitied. His farm, in my eyes, is not much. I make out a patch of potatoes, a patch of yellow wheat, a patch of browning flax, some other patches that I know not. Some cattle are in the barnyard; some fruit-trees stand, heavily laden. I look around the valley that must bound this other man's world, and with all its loveliness it seems painfully narrow and contracted, and I think his lot is hard and he is very unfortunate; and so, letting out a link of the controller, I speed on.

If I be a typical American it will amaze and perplex me to learn that with feelings of still greater pity the farmer has been regarding me. I have been pleased to think

THE GREAT RAILROAD STATION AT FRANKFORT-ON-THE-MAIN

A SAMPLE OF SWISS ENGINEERING
Loops and tunnels on the St. Gothard line

him ignorant, and probably somewhat barbarous. I shall be astonished to find, if ever I make inquiry, that he has books and daily newspapers, a house furnished with solid comfort and some taste, a little competence safely stored in bank; that he knows quite well what goes on in the great world and has his own opinions about current events. If I had stopped to talk with him, I should have learned with astonishment that he has good store of information about America, that possibly he has even been there and studied it; that he knows quite well the American way of life; he knows about the American trusts and the life-insurance scandals, about our political corruption and our system of boss rule and how far we have departed from our original democratic standards. And knowing the whole story, he looks upon the passing American with pitying eye, as upon one not wise, and infinitely prefers his own estate, his valley, his farm, his freedom, and his invincible independence.

Everything, in the old phrase, is but comparative. The American would be unhappy in the Swiss farmer's place; the Swiss farmer would think himself foolish to live as the American lives. Yet, when all allowances have been made for the differences in temperament and tradition, and for a man's natural preference for his own flag and his own soil, it must be admitted that the complacency of the Swiss is not without reason. If to be in harmony with one's surroundings, to work and to thrive a little and to rear children, to have liberty and security and be tolerant and self-respecting constitute any measure of happiness, then the Swiss are by all odds the happiest people in Europe. Such, I think, is the judgment of all observers that have been much among them. You can test it by a simple reference. From every other nation

in Europe there is emigration; from Switzerland, little or none. At all times about 300,000 Swiss are in foreign countries, learning languages or methods or combining travel with work, but they come home, always they come home. The typical Swiss never thinks of making permanent residence outside of Switzerland, or, if once thinking so, he changes his mind when he makes trial thereof.

And, indeed, life in Switzerland seems on the whole wonderfully sane and comfortable and yielding much to all that share it. Let me not speak disparagingly. Life doubtless seems sane enough in other places; but here is still a difference. In Switzerland man lives without feudal surveillance or autocratic interference. In Switzerland are no disguised police agents slinking behind you in the streets to hear your conversation, or furtively edging toward you at a café table, or watching you from corners; and having had elsewhere some experiences with this snaky tribe, I testify with gratitude to the blessing of their absence. In Switzerland are no offensive, arrogant army officers to crowd you from the sidewalk, to overawe citizens, and to insult women. In Switzerland is no rampant militarism with its nasty scandals and its iron hand heavy upon the people. In Switzerland are no privileged classes, no nobles, no hereditary rulers, no arbitrary enactments, no oppressive taxation, no kings, no kaisers, no aristocracy (real or imitation), no vestige of any government that the people themselves have not created and do not from day to day direct.

With whatever reluctance we may make the admission, we shall confess, if we know them intimately, that the Swiss fare exceedingly well. In Switzerland are no trusts, no criminal conspiracies of capital, no "Systems," no Standard Oil Companies, no advancing and swelling money

autocracies to corrupt the courts and seize the Government, no special legislation for favored speculators, no purchased elections, no political bosses, no crooked Congressmen, no greasy Senators elected by the railroad companies, no public officers maintained by thieving corporations, no Aldriches, no Depews, no Platts, no persons that in the least resemble this precious crew. In Switzerland is no gang of public plunderers operating under the shield of the Government, no theft of the public lands, no exchange of campaign subscriptions for Government favors, no John D. Rockefeller, no H. H. Rogers, no Ogden Armour, no Pierpont Morgan —on a great scale or a small is none of these nor likely to be. Finally, in Switzerland is no menace that the country's resources will be absorbed by a few individuals, no tremendous threat of the accumulative power of great fortunes. It is no wonder that the Swiss comes home.

And yet Switzerland should be confronted with all of our problems. It is an industrial country; it carries on most of the honest industries that we have, and with some of them does better than we do. It is a business country; it has manufactures and commerce; our imports from one Swiss town pay $6,000,000 a year in duties. It is a country of a "mixed population"; its public business is transacted in three languages. It is a country of great enterprises and undertakings, some of them greater than ours. And yet I cannot deny that the Swiss have found a way to do these things without making a mess of them and to maintain a republic without dragging it in the mire.

In Switzerland is as much interest in politics as in America and elections are more frequent. In Switzerland are political parties as sharply differentiated as ours and as closely matched. In Switzerland is no such thing

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vast load of watered stock
The Swiss seem to be able to
without defrauding anybody.
without watered stock, insurance
bing the policy-holders or rigging
rporations without guile, and in-
nt without trusts.

ange thing: in Switzerland they have no
are essentially idiots and must have great
vior and divinely gifted intellects to rule them
what to do about their affairs. They do not
of "ruling" in Switzerland, nor much of the
inely gifted intellects. All are great men in
and, and one is as great and as divinely gifted as
To the Swiss mind the only great men worth
ving about are those that do something in science or
nture, like Agassiz or de Saussure; but they have
particular fancy to be "ruled" by anybody, however
reat. You will find many an intelligent Swiss that
annot tell you the name of the President of Switzer-
and. He knows the name of the President of the
nited States, always, but he does not know who is
t the head of his own country. Not because the interest he takes in his political affairs is small, for it is very great; but because who may be President of Switzerland is not important. Whoever he is,

he amounts to nothing, he effects nothing, he "rules" nothing.

The only rulers of Switzerland are the Swiss people.

It has never occurred to the Swiss that their President's vocation is to make business good, the weather propitious, the fields fertile, and the crops abundant. They have never ascribed good times to his benignant, nor bad times to his malevolent, influence. If you were to tell a Swiss that the President of the Republic keeps a magic wand and when he waves it all the factories run full time, the tradesmen prosper, the workmen have good wages, he would merely laugh at you. They are a peculiar people, the Swiss; I must suppose they are obtuse about these things. A Cleveland business man, rich, prosperous, and presumably intelligent, assured me last winter that President Roosevelt, by his personal influence, had erected twenty-eight business blocks in Cleveland and one in South Youngstown. Perhaps he did it by incantations. I repeated this once to a Swiss gentleman, but he only stared and said he could not see how the thing worked.

The Swiss conception of a public office seems equally odd. Certain men are hired to do what the Swiss people tell them to do. That is all. A Swiss public officer would not think it well to take office and then refuse or neglect to perform the duty he was hired to perform; he would not think it conducive to health. If he were put into office to prosecute public thieves he would proceed to prosecute them. They might be some of the best fellows in the world, and great friends of his party and otherwise admirable; he would plod on and prosecute them. And he would convict them. And they would be sentenced to prison. And there would be no new trials, no reversals, no stays, no delays. Once condemned, the criminals

would go to prison and remain there until their sentences expired, and meantime fare exactly like any other thieves. And that seems to be one good reason why there are no public thieves in Switzerland. Thieving is not a healthful occupation there; people do not yearn for it. In America a judge of a Federal Court found on investigation that the Beef Trust had been violating the law. He issued an injunction forbidding it to continue to violate the law. For two years nothing was done to enforce that injunction and nothing has ever been done to punish the Trust for the offenses of which the judge had found it guilty. The method in Switzerland is different—very different, in fact. There are no unenforced laws nor disregarded injunctions in Switzerland. On the whole the Swiss method seems to have advantages. It saves the law from falling into general disrepute. It discourages gentlemen from operating Amalgamated Copper deals. It bars out bribery factories such as for years existed in the State Capitol of Massachusetts. It saves the country from the spectacle of attorneys-general in apparent league with law-breakers. I remember a case a few years ago where a Federal district attorney wanted to indict some very notorious Trust thieves and an assistant attorney-general of the United States traveled from Washington to Chicago to prevent the indictment. The Swiss method would seem to obviate such travel and have other commendable advantages. I should like to see the Swiss method tried once in America. It might reduce our household expenses.

CHAPTER XIV

HOW THE SWISS DEAL WITH THE POLITICAL BOSS AND THE CORPORATION THIEF PROBLEMS

THE Government of Switzerland is not far from a pure democracy. It is the most democratic government in the world. The Swiss people manage their own affairs in their own way, as seems good to them, and without regard to any other consideration. No law is on the Swiss statute books that a majority of the Swiss people do not wish to have there; if such a law existed they could get it out and tramp on it in a few hours. There is not a law that a majority of the Swiss people want and cannot have at any time, and after they have it they can repeal it any time they are tired of it. There is no authority in Switzerland but the decision of the Swiss people, and no court can interfere with that decision. No man holds an elective office in Switzerland without the clear warrant of a majority of the people, and no movement is made by the Swiss Government because it is wise or politic, or for any other reason than because it is the will of the plain common people of the country.

The situation in such a country seems worth careful attention. The population of Switzerland is 3,425,000. Suffrage is universal. At any time a certain number of citizens (varying from 30,000 to 50,000 under different conditions) can suggest to their countrymen anything that pleases them or does not please them, any law they wish to have passed or repealed, anything they want the Govern-

ment to do or not to do. Whereupon the people express their opinion on the matter, and as the majority thinks, so becomes the law or so performs the Government. Certain classes of laws must be submitted to such a popular vote before they become operative; all laws can be so submitted at any time the public desires to vote upon them.

What is true, in this respect, of Switzerland as a whole is true of each of the twenty-two cantons in its separate affairs. Any act of any cantonal government can be overturned at any time; any cantonal government can be instructed at any time to do anything a majority of the people wish it to do. Through the operation of the people's right known as the Initiative, a small percentage of the citizens sign a petition demanding that a question be submitted to the test of a popular vote. Thereupon the Government has no choice; within a specified time it must submit the question, whatever that may be. This direct submission of a question to the people is called the Referendum. Everywhere in Switzerland these two instruments of direct legislation work in small matters and in great. In September, 1905, the Grand Council (answerable in our system to a state legislature) of the Canton of Lucerne decided to add one-quarter of one per cent. to the real-estate tax, which had been three-quarters of one per cent. No one complained greatly, for the Lucerne people are well-to-do, but to a part of the inhabitants the increase seemed hardly necessary. So a petition was circulated, in a few days it secured the needed signatures, the election followed, and the result sustained the Grand Council. I may point out here that this method has undeniable advantages in celerity and certainty. In another country the increase would have been resisted through many courts in a contest lasting many years,

fringed with injunctions and hung about with reversals, and finally the Supreme Court would have rendered a decision nullifying everything that had been said on the subject. In Switzerland the people are the Supreme Court. They are also the President, the Cabinet, the Congress, the party boss, the power behind the throne, the national conventions, the legislature, the city council, the mayor, and the machine. No power on earth can interfere with them. If they were to decree to have state oil refineries, for instance, they would have them—in the middle of the street, or in the town-hall, or in the Stadt Park, if they wanted them there—and no court would be strong enough to stop them for so much as one minute.

As no man can assume to deliver to the corporations any legislation for their benefit, the people being likely at any time to upset it, there is no room for a political boss in Switzerland. It is only the corporations that make and support bosses.

Of course this system makes many elections, which on the authority of the wise is said to be an evil, I know not why; but a Swiss election is different from anything we know. Switzerland takes her elections easily; she has mild attacks. The Swiss bothers little with conventions, national committees, state committees, the curious and fatuous frenzy of campaign oratory, or with elaborate machinery. He makes up his mind about the question at issue, deposits his vote, and goes about his business. Switzerland in the throes of an election contest is like Switzerland at any other time. The throes are indiscernible.

The people are so well accustomed to deciding questions of Government that voting seems to them much like eating their breakfasts; they do it and proceed to other matters.

Nothing is so hard for a Swiss to understand about America as why we tear ourselves to tatters over an election. I have a Swiss friend that is a porter at a railroad station. He spent twelve years in the United States. When he came back and told his untraveled friends about an American election, they held him to be an untruthful person. They would not expend so much of their good time on fifty elections.

We may safely conclude that the first reason why the Swiss fare well in their affairs is that the Government is strictly of their own making; if there is anything they do not like they can have it remedied quickly and radically. They know at all times that the conditions in which they live have been made by themselves and exist only by their sanction. Nothing is forced upon them. They are not called upon to endure anything of which they do not approve. They have at all times in their hands a machine mobile, swift, and efficient, by which they can work reforms and effect changes.

The next reason seems to be that their system of taxation has elements that make for the general welfare. It is far from a perfect system; in only one place in this world can you find a perfect system, and that is in a text-book on Political Economy. But the Swiss system seems to have merits. Unfortunately it differs somewhat in the different states (or cantons) and the differences are perplexing to the foreigner. But in most of the cantons the principle is this: The tax is levied upon incomes. Every person in receipt of $100 a year or more pays for the support of the Government. If the income is $100, he pays three cents a year for every $20 of income. If the income is more the rate is increased until on an income of $1,000 a year the citizen pays $3.25 for every $100 he receives. You

can see that this system tends materially to discourage the process of building gigantic fortunes. Before the fortune could become gigantic the tax rate would amount to something like confiscation.

The next reason why the Swiss fare well is that their public-school system is probably the best in the world, and with them public-school education is practically compulsory. You can send your child to a private school (in some cantons) if you insist upon so doing, but the face of the Government and the force of public opinion are sternly against the practice. In the canton of Solothurn private schools are absolutely forbidden. In other cantons a private-school pupil must secure a formal permit from the local authorities, and in some cantons he must pay a charge to the public funds. The idea is that the public schools are good enough for all, that rich and poor are to meet there on even terms, that the public school is the nursery of democracy and patriotism; above all, that democracy is the life-blood and strength and very soul of the Republic, and the Republic is Switzerland and without the Republic Switzerland is nothing. Private schools for Swiss children are few in number, and such as exist are under the strict supervision of the state. Education is a serious matter in Switzerland; there is no escape from it. A parent must send his children to school or go himself to jail. They kept a Seventh-Day Adventist in jail for two years because he refused to let his child attend school on Saturdays. As it then seemed likely he would spend the rest of his life in a cell, he surrendered.

Switzerland spends $11,000,000 a year on its schools; its population is 3,425,000. Therefore, the rest of Europe thinks the Swiss are more or less insane about education. If it were not for the few people that live in remote, in-

accessible mountain regions there would be no such thing as an illiterate Swiss. As it is, he is a rare bird. The Army examinations show only 24 in 10,000 unable to read, and these are always the scattered dwellers on lonely mountain peaks.

Everything is furnished free in the Swiss schools: books, slates, pens and paper, drawing instruments, everything that the student needs at any stage. The schools are under strict and regular medical inspection. There are about 600,000 school children. The state maintains 299 trade-schools, 218 housekeeping schools, many agricultural schools. Besides these are the great Federal Polytechnicum at Zurich and other technical schools maintained by the Confederation. Six great universities, Bern, Geneva, Bâle, Zurich, Lausanne, and Fribourg, and a college at Neuchâtel complete the educational scheme.

Tuition fees in the Swiss polytechnic schools are nominal —$20 a year—and this charge is remitted in the case of poor students. More than that, there is a state fund to defray the expenses of the impecunious. To such the authorities say:

"Here are certain sums of money to be given to you in your school course. When you leave this institution you will begin to make your way in the world. You ought then to regard this money as a loan and to repay it as you can, so that it may be used to help others situated as you are. But there is no compulsion about it."

In practically every case the money has been repaid.

The next reason why the Swiss do so well is that their Government is conducted solely for their benefit and not to exploit individual fortunes nor with Krag-Jorgensens to spread the blessings of Swiss civilization around the

world. Moreover, it has never occurred to the Swiss that their Government should assist traffic by placing obstacles in its way. In our own happy land, Mr. Thomas C. Platt and the Vanderbilt family's American Express Company will not let us send through the Government mails a package weighing more than four pounds. In Switzerland you can send through the mails a house and lot or a million tons of pig iron if you please and will pay the postage. The Government does not care how much you send; send all you like; the more the better. The Government will despatch wagons for your pig iron anywhere you wish, and at the other end of the line it will deliver wherever you say, and the transit will be quick and safe. Or, if you wish, the Government will transport the iron and collect your bill for it from the purchaser and deliver the money to you at your house, or your office, or your hotel. Or if you owe money and wish to pay it, in your own town or any other, you can give the money to the post-office and the post-office will deliver it to your creditor wherever he is and bring you a receipt. If you live in the country you can pay the money to the letter-carrier and he will attend to the payment. The Swiss Government, you perceive, is not in alliance with the banking interests. It does not try to clog up other channels of money transmission so as to drive people to use the banks or the express companies. It has no desire to make business good for bankers and it does not care a rap whether they are campaign subscribers or not.

If you wish to forward your baggage, perhaps in advance of your journey, the Swiss post-office sends for it, and when you reach your destination your baggage awaits you at your house or hotel. Whether one trunk or fifty makes no difference. The sums you pay for this ad-

mirable service are trifling. I have sent a box weighing twenty pounds half-way across Switzerland for fourteen cents, the postal officers calling for and delivering it. On a package weighing one and one-tenth pounds you pay three cents; up to five and one-half pounds, five cents; to eleven pounds, eight cents; to twenty-two pounds, fourteen cents; to thirty-three pounds, twenty cents; to forty-four pounds, thirty cents. These rates apply between any two post-offices in Switzerland. For packages weighing more than forty-four pounds, there are rates by the distance, varying from six cents to twenty-four cents for every eleven pounds.

This same Government operates all the telephones in Switzerland—for the convenience and benefit of the people. The charge for a telephone in Switzerland is $8 a year, and one cent for each call within the city or district in which you live. For long-distance telephoning the charges are from three cents to fifteen cents according to distance, fifteen cents being the highest charge. For fifteen cents you can telephone from Schuls in the east to Neuchâtel in the west, 175 miles of line. From Brooklyn to New York you pay fifteen cents; for the like distance in Switzerland you would pay three cents. Telephones are very common in Switzerland. The service is as remarkable for its smooth excellence as for its cheapness.

This Government also operates the telegraph system—for the public benefit—maintaining what is said to be the best telegraph service in the world. In proportion to the population, Switzerland has more miles of line and, I think, more offices than any other country. You can send a telegram anywhere in Switzerland for six cents and half a cent a word. Thus a message of ten words costs eleven cents. You can put postage-stamps on a telegram

and drop it into a post-office or a letter-box and you do not have to think of it again; it will be forwarded promptly. The Swiss post-office, by the way, is highly praised by experts. The Rural Free Delivery lately installed with much éclat in the United States has been in operation in Switzerland for years and years. In the towns and cities collections and deliveries are twice as numerous as with us. The Swiss post-office operates all the diligences (stage-coaches) and post carriages on the Alpine passes and roads. The number is very large, but all travelers that have used them will feel a sentimental regret that these comfortable conveyances are passing away. The steady extension of the Swiss railroad system is obviating the need for the good old diligence. Eventually it will exist only in tradition, reminiscence—and literature. The cunning and daring Swiss engineers, who think nothing of constructing a railroad by spiral tunnels up the inside of a mountain, have doomed the diligence.

This Government, also, will not grant a franchise to any public enterprise except with the provision that after a lapse of years the State may purchase the undertaking if it shall see fit. In this way most of the street-car lines in Swiss cities have gone to the municipalities, and those still in private hands will eventually pass to Public Ownership. I have spoken of the admirable traction system of Zurich. The lines comprise in all twenty-five and one-half miles of trackage. The receipts in 1904 were $343,850 on which the city's profits were $138,095. Of these profits $19,000 went to a surplus fund for renewals, $10,000 to the sinking-fund to meet the purchase bonds, $63,258 to pay the interest on these obligations, and $45,837 was turned into the general funds of the city—"for the Common Good," as the Zurich people express

it. The lines carried in 1904 14,297,000 persons, an increase ot one million over 1903. The total sum paid for damages resulting from accidents to others than employees was $237. To injured workmen on its lines the city paid $2,000. No suits were necessary to enforce these claims; they were paid because they were just. No politics entered into the conduct of the road. All the details of its operations, the receipts and expenditures to the last centime were published in pamphlets. Every citizen of Zurich could have known as much as the manager about the finances of the lines.

This brings me naturally to the next reason why the Swiss do so well. Everything done by their Government is done out in the daylight; they can know all about it if they wish. And the Government makes sure that if it practises no hugger-mugger itself it allows no one else to practise hugger-mugger either. Its hand is upon every corporation, big or little, public or private, that transacts a dollar's worth of business in Switzerland. Every Swiss corporation must publish at regular intervals in each year a detailed and exact statement of its condition, the amount of business it has transacted, its profits and the disposition thereof—all in plain black and white. The penalties for juggling with the figures are such that the corporations do not dare to lie; for in Switzerland no distinctions are drawn between corporation rascality and individual rascality, and the officers are held personally responsible for the corporation's acts. The Government provides an official periodical for these reports; no stock company can escape its columns. Moreover, a corporation in Switzerland has no chance to play tricks on its stockholders. Any two stockholders can at any time demand to see the books or know anything they wish to know

about the concern. If a corporation should refuse the information, the stockholders would go into court and the court would in an hour have the whole thing into the sunlight and some of its officers on the road to jail. In Switzerland they know what corporations are and take no chances. They say they have no intention of being throttled by that particular constrictor, anyway.

Trusts and "Systems" are impossible in Switzerland, not alone because of this fatal publicity, but because stock-watering and stock-kiting are practically prevented. A corporation that desires to increase its capital stock must give due notice by publication and then bring the project before an open meeting of the stockholders. As the condition of the company is a matter of open record any unjustifiable increase is instantly detected and can be stopped.

Insurance scandals and swindles such as we have recently been regaled with could never occur in Switzerland. This Government looks upon insurance as a thing vitally concerning most of its citizens and to be watched lest the public interests suffer. Therefore, it keeps the insurance companies under incessant supervision and inspection. They must show what they do with their money, and if they fall to fooling with their reserves and surpluses, out they go from Switzerland. There are no profitable "side syndicates" for insurance directors here, no stock pools, no checks for Mr. Depew, no dinners for actresses, no campaign subscriptions. The Government would instantly detect the missing money and demand to know about it. Foreign insurance companies doing business in Switzerland must make regular returns of all the policies they issue and invest a certain proportion of the total in Swiss property, and this property the Govern-

ment is prepared to confiscate at any time for the benefit of the policy-holders.

Again, this Government does not allow gentlemen to make great fortunes by selling things unfit for food—poisoned meat, for instance. No Beef Trust could ever exist in Switzerland, nor any private interference with the food-supply, for the simple reason that the Government does all the slaughtering in its own slaughter-houses under its own sanitary supervision. No private person is allowed to slaughter animals for food. Those interested in the subject may care to know that no "lumpy-jaw" cattle are eaten in Switzerland, and no Swiss have the eruptive and other diseases attributable to the eating of diseased meat. On the whole, the Swiss seem to have rather the best of us in this regard. I recall the things I used to see in Chicago's Packingtown and the grisly secrets the workmen were sometimes wont to reveal, the horrible filth, the doors behind which no one is allowed to go, the "lumpy-jaw" cattle, the swine with tuberculosis, the diseased and broken-down cows from the dairies that passed into the packing-houses and were not to be traced thereafter. I recall the hideous revelations of the London *Lancet* and Upton Sinclair. Are we quite sure we can teach everything to the Swiss? At least they know when they sit down to dinner, that they are not to eat cancer germs, nor infected pork, nor the flesh of animals that have died natural deaths. They also know that they are not paying artificial tribute to private fortunes. Suppose the State of Illinois owned and operated all the slaughter-houses within its borders. How long would the American Beef Trust last? Five minutes?

We in this country have elected to try to meet the obvious perils of a diseased meat supply by our favorite American

remedy of "regulation." The Swiss threw regulation to the winds many years ago and at present favor eradicating a disorder instead of dosing it. For the proved unsanitary conditions at the packing-houses we have now provided an increased number of Federal inspectors, apparently under the pleasing belief that if 100 men neglected their work 110 men will faithfully perform theirs. As to the huge farce of Federal inspection in the old days I quote from the official statement of Dr. D. E. Salmon, Chief of the United States Bureau of Animal Industry:

"Since the Federal inspection has been established for meat shipped in the interstate trade, the tendency is to send known diseased animals to the slaughter-houses that kill for the local trade, and have little, if any, inspection. And unquestionably many badly diseased animals get upon the market and are eaten."

Not in Switzerland. The Swiss have no hunger for ptomaines and bacteria.

CHAPTER XV

HOW THE SWISS DEAL WITH THE REBATE PROBLEM

THE railroads of Switzerland were built by private capital and until six years ago all were operated by corporations. On January 1, 1901, the leading lines, except two, passed into the hands of the Government. This was the result of a referendum, at which the vote was the largest ever cast on such an occasion. In 1891 the project of Government purchase had been submitted to the people and defeated. Switzerland had then a small national debt and the country hesitated to create a great one. Moreover, the terms of the proposed purchase seemed unfair. But the feeling in favor of public ownership grew, the new proposal was of fairer nature, and when the final test came the purchase was carried by a large majority. Since then another great system has been absorbed, and at present only one considerable railroad in Switzerland, the famous St. Gothard, remains outside of Government hands. It is ripening toward its fall; in 1909 it will join the others in the Government's net.

The manner of the absorption should have some interest. The general plan of the purchase was to capitalize the earning power of the railroads on a four per cent. basis. As the value is entirely dependent ultimately on earning capacity, this was held to be the only fair hypothesis upon which to proceed. The average net earnings of the preceding years were, therefore, taken. And this, multiplied by twenty-five, determined the capitalization that

would earn four per cent. The sum total for the roads involved, by this method of calculation, was about $186,000,000. The railroad companies, profitable enterprises, were not partial to surrendering their property, and objected to the details of the plan. Negotiations consumed some months, for the Government seemed desirous to be fair and to listen to all representations. In the end, the general plan, as above outlined, was offered as the ultimatum, though somewhat modified by varying conditions.

Having fixed upon the purchase price, the current assets were utilized to offset the current liabilities and funded or fixed debt Whatever liabilities remained, which must be met dollar for dollar, were deducted from the purchase price. The balance, naturally, belonged to the stockholders, and was distributed to them *pro rata* in federal bonds.

Thus, in the case of the Swiss Central Railroad, the purchase price, twenty-five times the average net earnings, was $38,500,000. After deducting the current assets from the company's fixed liabilities, there still remained an indebtedness of $25,400,000, which was taken from the purchase price, leaving for the stockholders an equity of $13,100,000, and this was distributed among them in federal annuity bonds. These bonds run for twenty years and are then redeemable or may be continued as the Government prefers. The face value of the company shares was $100. By the purchase arrangement the bonds are to be redeemed at $150, on which the interest they bear amounts to four per cent. The first purchase proposal, rejected at a former referendum, would have netted the shareholders $200 a share. The net earnings of the road more than provide for the interest.

The bargain seems not to have been particularly hard, although some of the roads had been paying for years four to six per cent. dividends. They were allowed to share among their stockholders all their surplus funds, undivided profits, and reserves, and it was stipulated that in no case should the purchase price be less than the amount actually and legitimately invested in the railroad. The Government then took over the rolling-stock and appurtenances at an appraisement of their actual value, and the transaction was complete. The Government's investment was $200,000,000.

The stockholders did not relish any part of the proceedings, and at the time of the referendum a concerted and desperate effort was made to show the poor misguided people that government ownership always had been and always must be disastrous, and that private enterprise can always do anything very much better than any government can do it. The people seem not to have been greatly impressed by this logic. After the referendum some of the stockholders had recourse to lawsuits. They had no show in the world, for a very simple reason. The charters of the railroads had provided that the Government should at stated intervals have the right to purchase if it desired, and in Switzerland you cannot juggle with charters and franchises.

As to the success of government ownership of railroads in Switzerland, I have found but one opinion, though there may be others—in minute quantities. The Swiss believe they have reaped solidly from their bargain. Their railroad service has been increased and extended; about ten per cent. more trains are run. Rates, passenger and freight, have been reduced, for the Government took the lowest rate in force anywhere on any of the railroads

and made that the standard rate for all the railroads, a reduction of about six per cent. The quality of the service has been bettered; a lot of old rolling-stock has been thrown upon the junk-heap and new cars and new locomotives built in place thereof. Road-beds, tracks, and stations have been replaced and rebuilt. When the Government bought the roads most of them were single-tracked; it is engaged in double-tracking all the important lines. New kinds of reduced-fare tickets have been introduced. The system has been unified. New connections have been established. The machine has revolved with exceeding smoothness. No one has detected a loss in efficiency; indeed, strange as it may seem, the assertion has been made that the employees work more cheerfully and with greater interest for their Government than they worked for the companies.

Moreover, the investment seems to be profitable. The expenditures required to put the lines into good condition have been large, but they have been met out of the profits of operation. More than $330,000 has been put aside every year for the sinking-fund to cover the purchase price. The interest on the bonds has been provided. With two more years of the necessary improvements and extensions out of the way, the railroads promise merchantable returns to the public treasury.

At the same time wages have been increased and more men are employed. All employees have now one day of rest in seven, annual holidays, sick and disabled benefits, increased pay with length of service up to certain limits, and pensions when they are retired. If they lose their lives in the service, their widows and children receive pensions. Finally, the Government has enforced a rule that no man shall work more than ten and a half hours in

twenty-four. It has no idea of precipitating the accidents that are due to overworked employees.

Railroad-building in Switzerland is abnormally expensive because of the nature of the country. Hence fares and rates have always been high. I give some specimens of the present tariffs. On ordinary single tickets, one way, first-class fares average 3.24 cents a mile; second-class, 2.42 cents a mile; third-class 1.63 cents a mile. Ordinary return tickets are: first-class, 3.03 cents a mile; second-class, 2 cents a mile; third-class, 1.30 cents a mile. But circular tickets and excursion tickets are issued at a reduction of one-third from the price of single-trip tickets. Commutation tickets (short distances) are sold at the rate of one and three-eighths cents a mile for first-class, one cent a mile for second-class, and five-eighths of a cent a mile for third-class, while tickets for working men and school children are even less, coming down to 1.28 cents a mile for first-class, .96 of a cent a mile for second-class, and one-third of a cent a mile for third-class, which seems cheaper than staying at home. Another kind of ticket enables one to travel without limit on all the railroads of Switzerland one month for $22 first-class, $15 second-class, $11 third-class. Or you can get one of these tickets, good for six months, for $104 first-class, $59 second-class, and $45 third-class.

Because of the railroad conditions only, even if there were no enforced publicity, no graduated income tax, no defenses against stock-watering, no laws against juggling and trick-playing, still no trust could ever make headway in Switzerland. Oppressive trusts are built through rebates, discriminations, and special privileges granted by railroads. There are no rebates, discriminations, nor special privileges in Switzerland. In Switzerland a man

buys transportation exactly as we buy postage-stamps. It makes no difference who the purchaser is, rich or poor, good fellow or bad, friend of mine or enemy, campaign subscriber or not, manufacturer or day-laborer, he gets exactly the same rate always, invariably, inflexibly the same. And it makes no difference whether he ship one car or one million, he gets the one rate always, exactly the same. And there are no rebates about it, and no hat-band tricks. There are three classifications in the Swiss service: package-freight, half-carloads, and carloads; and these classifications are the same for all shippers at all times with one carload or one million.

Railroad ownership on a large scale is an experiment in Switzerland. The other features of Swiss life I have described have long ceased to be experiments and become demonstrated facts. Beyond question they do well for Switzerland; in fact they comprise the smooth success of this unique government. If anyone seeks the heart of the Swiss achievement it is easily found. The Swiss have held fast to their democratic faith, and in Switzerland the plain every-day people are the unquestioned lords of the land.

To be sure it is a small country—3,425,000 inhabitants, 25,825 square miles. Yet the main question is not the size of a country, but whether it has succeeded in establishing good government; whether it has in any degree secured the liberty, happiness, safety, welfare, and intellectual progress of its people; whether it has protected them against greed and arbitrary power. And in these respects the Government of Switzerland is without a peer in Europe.

Switzerland has poor people; also it has rich. Whoever looks here for a solution of the problem of superfluity and

privation must take it with many allowances. But the poor are not often very poor, the rich are not very rich; the utmost extremes are nearer together than in any other land of my knowledge, and between dwells an unequaled percentage of those upon whom the burden of life is easy, who have enough and somewhat to spare. And I add that the insignificant fortunes of those that are called rich have had origin in individual effort; they have not been built by illegal alliances, by covert protection and purchased immunity. And I add that the poverty is for the most part the poverty of nature, the poverty of thin soils, stony valleys, and bleak mountains. It is never because the greed of man has hemmed them in and enslaved them and preyed upon them that the poor of Switzerland are poor; it is never because they have been denied light and air and opportunity and education. In all Switzerland are no slums, no such frightful regions as those to which we are accustomed in English cities of the size of Zurich or of the size of Bern; nothing that in the least suggests the reeking back alleys and fetid tenements of Paterson, Fall River, Lowell, and other places I know at home. No such frightful regions, no such terrible and saddening contrasts, no faces like the Whitechapel faces, no such appalling curse as rests upon the smoldering hells of York and Bristol. Nearer than any of the rest of us the Swiss have come to the solving of the problem. And by what art? The simplest in the world, the simplest and surest. Direct government by the people, equality, fraternity, the ideals of Swiss freedom unsmirched and unimpaired, the spirit as resolute against modern as it was against medieval feudalism have wrought these things. The Swiss have perceived that however names change, the principle of the

THE RAILROAD STATION AT BERN, NOW THE PROPERTY OF THE SWISS REPUBLIC

Courtesy of Everybody's Magazine

OVERCROWDED BOMBAY

A typical scene in one of the broader thoroughfares

contest remains the same. Hence the Republic undefiled.

Do you remember Swinburne's "Switzerland" sung thirty years ago?

"I am she that shows on mighty limbs and maiden
Nor chain nor stain.
For what blood can touch these hands with gold unladen,
These feet what chain?"

CHAPTER XVI

INDIA—THE INSTRUCTIVE TRAVELS OF AN HEIR TO A THRONE

WHEN the Prince of Wales recently visited India he was received with such splendid pageants and such exuberance of cordial welcome as in our time have not honored any monarch. Something may be allowed for the Oriental love of magnificence and for the reputation of India, here at stake. She has fame for these spectacles; it was essential that upon such an occasion the full glory of her prosperity should be exhibited. But when all this is said the fervor of the demonstration remains unmistakable and genuine. Wherever the Prince went, wealthy native and English residents made no stint of cost to express their emotions.

The royal tour occupied three months, and was a series of brilliant triumphal celebrations. Bombay, the splendid, surpassed itself in the face of joy it presented when the Prince landed. Native nobles came from all the region around, the streets were filled with their gorgeous cavalcades, the illuminations were marvelous, the great reception was described as one "blaze of diamonds; such a display of jewels and magnificent costumes had probably never been witnessed before in India"; all the rich, eminent, and distinguished persons in Bombay contributed lavishly to assist the Government in making the welcome great enough to be historic. The warmth of this first greeting endured and increased as the Prince

moved onward. At Jaipur the Maharaja had subscribed $330,000 merely to ornament the city, and the native merchants were not slow to emulate his generosity. It was not thought enough to build great triumphal arches, to decorate the houses with bunting and greenery; whole streets were repainted in the gayest colors to please the Prince's eye. These colors harmonized in a wonderful way with the remarkable architecture of the place and with the glories of the temporary arches, so that "the whole spectacle was one of the utmost magnificence, and yet managed with consummate art toward a total effect both rich and peculiar." The old palace at Amber, abandoned by the Maharajas when Jaipur was built, was cleared of its accumulated rubbish, and restored to the height of its ancient splendors. Excellent hunting was provided; the Prince shot deer and wild fowl, and even a tiger, and had a most delightful visit.

At Bikanir "the heartiness of the welcome revealed again the true strength of the loyalty of the Indian people." At Lahore was a wonderful procession of the native princes in their brilliant costumes and with their brightly clad followers. "In the clear sunlight the spectacle produced an effect of unequaled magnificence, hardly to be imagined or described, but never to be forgotten by any person that beheld it." At Peshawar even the sinister and scowling hill tribes were infected with the pleasing emotions of the day, and contributed gladly to the great demonstration. The poorest of the chiefs added his gift to the Prince's store, if it were but a pot of honey and a fat-tailed sheep. At Rawalpindi was almost the summit and climax of the tour, for here was the great military celebration. Forty thousand troops were assembled from all parts of India and exhibited in a series of elaborate manœuvres "the

greatest military pageant witnessed in modern Asia." Delhi, the capital of the Mughals, has traditional repute for spectacular displays and well sustained it, notwithstanding the abnormal prices caused by the prevailing famine. Agra, city of the beautiful Taj Mahal, Gwalior, Lucknow, and, of course, the imperial and loyal city of Calcutta, created new records of festivity. At Rangoon the famous lakes were illuminated with such lavish and beautiful effects that "all conceptions of Fairy Land were eclipsed." Colored electric lamps, ingeniously designed, were so submerged as to give to the water tints of burning and glowing color until it looked like a vast ruby. Great lotus blooms floated about, constructed in some skilful way to carry a profusion of colored lights. "No one thought of expense on such an occasion; the only thought was to make the demonstration one that the Prince could never forget."

When he journeyed for three days down the Irrawaddy River three steamers were placed at the disposal of his party; the vessel in which the Prince abode had been rebuilt for his use; it was estimated that the steamboat company spent six lacs of rupees ($200,000) only to carry him from Mandalay to Prome. When he traveled overland the train provided for him was "a marvel of sumptuous luxury." Every car in it had been specially constructed for the use of the royal party; and, richly inlaid with costly woods, fitted with ingenious and unusual devices for comfort, it was "an Imperial Palace on wheels."

Balls, receptions, parades, banquets, hunting parties, festivals, celebrations, addresses that spoke of the utmost zeal, devotion, and loyalty marked the Prince's progress and passed into the history of India. Choice specimens of all the products of Indian art, precious stones, artistic

jewelry, carved ivory, the kind of work that blinds the worker, things that a man makes with the labor of his lifetime, wonderful fabrics and stuffs, were showered upon the Prince and Princess; the towns and cities, as well as individuals, entering upon a competition in generosity until the accumulation almost passed belief. It was admitted on all sides that not even the reception to the Prince's father in 1876, nor that dazzling glory, the Delhi Durbar of 1903, equaled the cost and splendor of this welcome. If the time had been the fifteenth instead of the twentieth century there could not have been manifested a more fervid and touching loyalty to the throne.

No prospective ruler with a sensitive and appreciative mind could fail to be moved by such expressions of enthusiastic devotion and reverence. The Prince responded often in terms of great feeling, and he and the governing class in India and England were doubtless deeply gratified with the eminent success of the tour.

And yet the Prince, being an intelligent, thoughtful man, must have noted some strange omissions from the ceremonies and spectacles—supposing these to have been intended in any way to represent India.

Wealth and fashion, plenty and prosperity, success and happiness were shown to him wherever he went. These are not India. These from India are as far apart as the poles.

Here, in this frightful country, are 296,000,000 people, of whom 130,000,000 live in a way unfit for beasts, in a way that would be unwholesome and intolerable for swine, burrowing in wretched mud huts, clad in strips of rag, fed upon meagre fragments barely enough to keep them alive, swarming in filth unutterable; except only for the dwellers in London's Whitechapel the saddest, the most forlorn,

the most hopeless of human creatures. It must have seemed strange to the Prince that the state of these was carefully obscured from his attention.

These teeming hordes in cities and on the baking flatlands are swept perennially by terrible diseases, the products of the conditions in which they live. The epidemics thus generated and launched upon their way threaten much of the world of men outside these borders. The Prince may have thought that to show him what efforts are made to annihilate these diseases and to prevent these devastations was more important than to entertain him with deer-killing.

Every few years appalling famines afflict this India, and the world, horrified at the mortality figures, contributes of its charity to alleviate the scourge. The Prince may have thought that the beginning of some plan or work to obviate these famines and put an end to these slaughters would have been a fitting part of the celebration in his honor, and may have wondered at the omission.

With few exceptions the cities of India are without the sanitation possessed by remote towns and villages in Europe and America. They have no sewers; their water-supply, if any, is so poisonous as to be unsafe even for bathing purposes; they are unpaved; they are filled with conglomerated pest-holes; their air is polluted with infected dust. The Prince may have thought that part of the money spent in illuminating and decorating these places would have signified no less loyalty and monarchical enthusiasm if used to begin a tolerable water-supply, or a system of sanitation. In Delhi a million dollars were expended to mark the occasion festive in his honor. In Delhi are streets through which hardly can a white man walk without peril of deadly fever, the military hospital

is filled with poisoned British soldiers, the sanitary conditions of a large part of the city are what one would expect in Terra del Fuego or among the anthropophagi. One million dollars would go far toward removing this blot on civilization, and leave a memorial of the Prince's visit far more enduring and gracious than red lights and bunting arches. Perhaps the Prince reflected upon this fact and thought the red lights strange and out of place.

In this country of India about 200,000,000 people live fast bound in the misery and iron of a system of caste that has no more place in civilization than voodooism or witchcraft would have. Wherever this system exists is no progress, no enterprise, no improvement, no incentive, no ambition, no healthful life. It is the most deplorable affliction that ever befell any people; under it India has been for century upon century a stagnant pool. It is the paralysis of energy, the death of aspiration, the end of hope. The Prince may have wondered what steps his Government, ruler of this land for one hundred and fifty years, might be taking to remove or discourage this melancholy blight. As King of England he will be head of the Anglican Church. That Church maintains at a large expense a well-organized branch in India. Its converts among the Hindus are limited to those of the lowest caste, or of no caste; to those that are not admitted to the Hindu temples. Therefore, the Prince would have been shocked and grieved to learn that his Government, instead of trying to obliterate caste, sedulously upholds it as a cheap and effective bulwark of its own supremacy.

From the poorer elements among these people is wrung every year, the heaviest proportionate taxation known on this earth. A system of land tenure and land taxation con-

ceived by savages and formulated by homicidal maniacs,* a system that throws the heaviest burden upon those least able to bear it, has been largely responsible for India's unparalleled famine record of 28,000,000 deaths in one hundred and fifty years. The Prince may have wondered why the occasion of his visit was not celebrated by some attempt to reform these abominations.

He doubtless knew that of the revenue thus wrung from the heart's-blood of starvelings about one-third is annually sent away from the country. Of studious and reflective habits, well versed in the world's history and in economics, he has wondered to himself, no doubt, how long this drain can be maintained without certain results incompatible with the supremacy of his race and house in India; and it may have struck him as strange that nothing was exhibited as a possible remedy.

At the very time of his visit some of these evils were apparent to any observation and as plainly demanding explanation—and cure. The plague was raging in many cities. Cholera had made its annual appearance. Over a large part of the country he traversed little or no rain had fallen in more than a year. Hundreds of miles he rode through a parched, hideous desert, brown as sand, dry as Sahara, scratched with futile plowing where nothing would grow, ineffably pathetic, the sad evidences of frustrated hopes and impending ruin, blazed at day after day by the implacable, unclouded sun. Here was beginning what promised to be the worst of all famines of black famine history. Doubtless he thought it more

* Inherited from ancient India and Mohammedan conquerors, whose sole interest was to exploit the country and extract from it the last possible cent. Strang to say, however, the system was never in full force until the last century and a half. Under the Hindu and Mohammedan rulers the Government had the right to collect these taxes, but never exercised the right to its limit; and there seems to be no escape from the painful truth that it remained for Christian sovereigns to lay upon the patient back of India the utmost burden of crushing taxation.

important that this calamity should be averted than that he should have eloquent addresses in gold boxes, or should dance at a ball. But the addresses and the dancing were provided; the famine was left for the most part to care for itself.

With no disparagement to the Government of India, and no reflection on the men that conduct it, the Prince probably thought upon all these matters. Of this strange vast country and its millions he is one day to be the lord and sovereign. Government is, therefore, no doubt, the study of his life. If he were allowed to see the real India as it is, he could learn from it far more about government than all the books and all the philosophers in the world could teach him. He could learn then from the sure tuition of object-lessons exactly what are the fruits of autocracy and irresponsible power, what it means for mankind when government is restricted to a few, what happens when an entire population is exploited for another nation's benefit, what are the results of rule by Force. He could see very clearly that to build a great railroad station is not the sole end of enlightened government, that an admirable telegraph wire does not insure the happiness of the governed. It would become sadly evident to him that the force inherent in a powerful standing army is not of a purely benevolent nature, that the thrust of a bayonet is not a deeply satisfying answer to a famished cry for bread. Even more important, he could learn to estimate accurately the value of a civilization that tolerates fantastic pomp and perennial famine, magnificent idleness and starved industry, illuminations and plague, waste and want, superfluity and penury. Handily he could learn all this because it would be spread out before him in clear white lights, unmistakable, day after day, wherever he

might turn—if he were allowed to see the real India. He could freely admit that the problems of government in this country have been peculiar and intricate. He could admire the courage of the men that have braved great dangers in remote places, and sacrificed their homes, comfort, health, often their morals, and sometimes their lives to further British rule. He could admit that some railroads have been built, some telegraphs constructed, some universities founded, some laws enforced, some savage hill-men tamed, and that all this is creditable. But the railroads have not prevented famines, the telegraph lines have not coped with the plague, the race-courses have not suppressed the cholera, the universities have not bettered the state of the wretched millions. To a wise and just ruler microscopic good cannot disguise huge evil. No eloquent panegyric uttered in the Prince's tour could hide the mortality returns, nor banish the hideous truth of the famine. It could not even obscure the awful fact that after all the labored efforts of generations of British conquerors and councilors the existence of the people of India is passed in no glimpse of the joy, decency, comfort, and hope without which the life of man is infinitely sadder than his death.

Courtesy of Everybody's Magazine

THE MAHARAJAH'S BEAUTIFUL PALACE AT JAIPUR

Courtesy of Everybody's Magazine

THE COST OF CASTE
Victims of the great Indian famine of 1900

CHAPTER XVII

THE BURDEN OF INDIA

"LOW-CASTE servants and dogs are not allowed to enter here."

So says a notice at the door of a great Jain temple at Ahmadabad. The place and the words are an epitome of the real India, the India that the Prince of Wales did not see. The temple is very beautiful—white, glistening towers of the peculiar Jain architecture, a splendidly carved entrance, richly colored marbles for the floors, shrines heavy with gold leaf and jewels, a marvelous sight. And outside its precincts is a horde of naked people, melancholy, emaciated, crouched upon their haunches, the bones almost protruding from their attenuated limbs, their knees level with their sunken eyes, absolute misery in the shadow of barbaric and unmeaning splendor. And at the door the sign says:

"Low-caste servants and dogs are not allowed to enter here."

Who are the human beings thus candidly classed with dogs?

They are those that work with their hands, that do things useful and necessary. On this basis is the social structure of India erected—the men that work branded with an ineffaceable sign of infamy, the idlers and loafers exalted to the highest honor; and between them are gradations of state in proportion to idleness and loaferism. Only with this peculiarity, that the idleness and loaferism are

regulated by the accident of birth. In the Hindu system all men are separated into rigidly defined classes, the original demarcations being according to rank and occupation. The four great divisions were basically the Brahmans or priests, the warriors, the farmers and traders, and the Sudras, who were serfs and laborers. Each of these classes has been subdivided by many additional lines, but the great main boundaries have not been changed in two thousand years. On pain of penalties that to Hindu ideas seem hardly short of death persons in one class can have no associations with persons in another class. Thus arranged in strata, one above the other, each class does reverence to all classes above it and despises or abhors all classes beneath.

No person born in one of these classes can by any possibility raise himself to a higher class. Not learning, nor wisdom, nor achievement, nor benevolence, nor creation in art or literature, nor discovery, nor service to his times, nor even any accumulation of dirty dollars can better his class station. As he was born, so he remains. He is of the class of his father and grandfather; his sons and his grandsons forever will be of the same class, whatever it may be. He can degrade himself to a lower, he cannot lift himself to a higher, class. A custom hard as iron and certain as fate fixes his station with his birth, and from that station there is absolutely no upward way. He must not marry nor have friends outside his class; nor aspire, nor hope his children may fare better than he has fared. He was born in a pit with sides neither he nor any descendant of his shall scale so long as the system remains.

Without defilement and loss of his own standing he may not come into contact with one beneath him, may not

touch elbows with him, nor exchange greetings, nor the most commonplace courtesy; he may not succor such a one in distress, may not receive aid from his hands, may not eat from the same table, may not for an instant recogize him as a fellow creature. In the Hindu system the idea of man's brotherhood has no place; men are not brothers but things differing among themselves far more than tigers differ from hyenas.

Though a Hindu starve he may not eat food prepared by one of a lower class than himself; though he perish of thirst he may not drink of a cup touched by an inferior lip or hand. To preserve inviolate the lines of his class is the chief concern of his life. Incessantly he must be on his guard lest by some mischance he be defiled by contact with that which pertains to the lower orders, lest the end of a plebeian robe touch his in the street, lest an inferior person jostle him, or touch his hand, or win from him a word or look. From his first consciousness he has been taught these things; in his view nothing else is of equal importance.

In some other countries exigencies of situation or condition sometimes modify caste lines; upon the Hindu they have no effect. A low-caste Hindu family may have generations of wealth or of members distinguished in one way or another. It remains in its orginal caste, despised and abhorred by those above it, deferred to by those below. Among the native troopers in the British Army are low-caste sergeants and high-caste privates. While these are on duty, the high-caste private receives and obeys orders from his low-caste officer. When the hour of duty has ended, the low-caste officer abases himself, head in the dust, before the high-caste private, and so he would abase himself if he were a lieutenant-general

and the other an indistinguishable trooper of the rear rank.

Around the neck of the real India, the India that the Prince did not see, this hateful system hangs like a corpse to paralyze energy and to frustrate progress.

At the bottom of the lowest of the classes is the despised Sudra, the day-laborer and street-cleaner, the lowest creature that crawls—in India. "Low-caste servants and dogs"—a Hindu of even middle caste would rather be touched by the pariah dog of the streets though it be covered with vermin and infected with plague, than to be touched by a Sudra. Even the consolations of religion are denied to the Sudra; he may not enter the temples to pray, he may not read or hear the sacred books, and one of the tenets of the Hindu religion is that the very gods spurn his petitions. Because he labors he is an outcast before the face of man and God.

You may see thousands of Sudras in any Indian city, and when you have observed them well, you will burn with ineffable rage against the whole Hindu system. Those strange brown men, thin and melancholy, wearing a dirty rag about the head, a dirty rag about the loins, that you see ramming macadam in the streets of Bombay are Sudras; those men with the vacant, pathetic, listless faces, that never speak a word as they work, never exchange a glance, never heed a passer-by, never look up, never for an instant turn their gaze upon the blue sky, or the flaming sunset, or a flashing bird, or a gorgeous carriage in the street, or the soldiers marching by with blaring band; the human machines, the downward-gazing, mechanical contrivances, the men that have no consciousness of man's existence except to ram macadam all day and at night creep into their filthy lairs in the mud and slime of lonely

corners, tney are Sudras, they are the laboring class of India. No man can look upon them without deep horror and pity beyond all words. That such things should have the shapes and bones and hands and eyes and mouths of men seems to lower every beholder in his own estimation and to fill him with awe and vague alarms. If these things can be men, how far then is any man from the other beasts that climb and chatter in the forest?

And yet observe that the crushed and broken Sudra is but the culmination and perfection and logical issue of the caste system. If we are to have these gradations of hatred, at the bottom must always be a class that all men hate. And observe that from the autocratic point of view here is the ideal and perfect workman.* He knows his place and he keeps it. He is contented with the lot to which Providence has assigned him. He never disturbs the social order by demagogic agitation. He is not ruined for his task by pestilent labor unions. He never makes trouble for a kind and indulgent employer. He never prefers absurd and unreasonable demands. He never strikes. At the appointed hour he seizes his rammer; silently and steadily he wields it until the time comes when he can lay it down. And he works for $2.24 a month. So he has been always; so his children will be and his grandchildren, without hope, without opportunity, without light or joy or sufficiency, so long as caste shall endure.

"Your caste system is your greatest curse," I said in a superior way to a learned Indian friend of mine.

"Any more of a curse than the caste system of England or the caste system of Germany?" he replied truculently.

*In Assam and in some other regions the laborer works under an arrangement called by a pleasant euphemism a "contract," by which, if he should go on strike or refuse or neglect to work, he would be arrested and imprisoned. After this it seems superfluous to record that the other conditions of the engagement exactly duplicate the conditions of Negro labor in the Southern States before the Civil War.

"The Hindus have only done thoroughly and perfectly what Western nations, imitating India, have done crudely. Consider that England legislates specifically for nobles, middle, working, and lower classes, having four great divisions exactly like India's. Within these divisions are numerous subclasses almost as clearly recognized as those you see here. Suppose one born in one of these English classes should try to raise himself to another. How far could he get? Remember that Lord Salisbury refused to dine with Sir Thomas Lipton, even when asked by the King. It is chiefly a difference of names, that is all.

"If you travel first-class on an English railway and a person with a second-class ticket enter your compartment you are repaid the difference between first-class and second-class fares. It is not for extra accommodation that you pay extra fare, but to avoid contamination from persons below your own caste."

"But the Indian lower classes," I said.

"But the English lower classes," he retorted promptly. "The Hindu is the better of the two, the less miserable, the less of a human wreck. You know Shoreditch? Well? What do you think? Bassein or Shoreditch, a back street in Bombay or a back street in Whitechapel, which is really the worse? Missionaries come over here and preach the brotherhood of man. You tell me you have been much in the East End of London. I have never heard that the missionaries wanted very much brotherhood with the people that swarm around those places. Of course caste is an evil, but you visitors always fall into the cheap error of associating caste with India. Wherever there is much power in the hands of a few men there is caste and always was and always will be. And

if what I hear about America is true you are finding that out for yourselves."

I cannot say that I made any apt reply, for observe again that there can be no great difference whether the autocracy be of heredity, of rank, or of wealth; autocracy is autocracy the world over, and its fruits have the same taste. I remember that in Vienna the fine old families that have never done a good or useful thing in all their history, that have been rank parasites on the world always, constitute the highest order of society, although they may not have money enough to buy a drink; and that in centuries no genius, thinker, scientist, discoverer, benefactor of his kind, however great, gifted, or useful, has won any recognition from that sacred Brahman circle nor may to the end of the world. And changing the basis of the segregation from heredity to wealth, I am not sure that conditions in New York are wonderfully different; they have been carried further in India, but easily enough you can see in New York the embryo of the Indian constrictor. And suppose the process of money absorption (which is only another name for power absorption) continue to its logical end, shall we be so sure that it will remain embryonic? Names are nothing; an industrial autocracy is exactly like any other. The crowning curse of the trust is that it creates a servant class with no more chance of independence than the Bombay Sudra has, a class chained to one line of monotonous toil, fatal to aspiration, and bounded by the narrow prospects of food and clothes and sleep that cut the horizon of those macadam rammers. The essentials of national vigor are democracy and opportunity. What prospect can lie beyond employment by the Standard Oil Company except that men shall end as they began, servitors and industrial bondmen, the re-

volving cogs in a machine, mechanical contrivances, eventually to be the Sudras of America, better fed, better minded, better housed, and still bondmen?

Millions and millions of Sudras swarm in India, the victims of a false civilization, the abject things at the bottom from whom the weight of the pile all these centuries has crushed the manhood, from whose brains has been driven every power of independent action; too low for soldiers, too low for anything but to be road-rammers and sweepers, or cleaners like those servants in your hotel that try to squeeze themselves into the wall as you go by, and cringe and crawl so pitiably before you.*

Next above them and other men that toil with their hands come the farmers, the greatest and most important class in the country, for the wealth of India is agricultural. And this is the class that the famine sweeps away.

Famine history in India is not calculated to foster optimism, even among those that really believe in the Krag-Jorgensen style of civilization. Including the disaster now in progress the one hundred and fifty years of British rule in India have seen twenty-three great Indian famines. The word has no meaning for you unless you have been on the ground and have noted for yourself the terrible things that are so far beyond the reach of words. Famine in India does not signify merely that a great many people have insufficient food and must be helped, for that is the normal condition. It means that before the season of scarcity has passed literally millions of men, women, and little children will perish with the prolonged agonies of starvation, that the dead will cumber the streets of villages,

*The rooms in some hotels in Burma have placards politely requesting guests not to beat or kick the servants, but to refer to the manager any cause for complaint. I once was privileged to see what one manager did when a complaint was made to him. He beat the native with a horsewhip over the shoulders. And in the face.

that there will not be enough living to give them burial, that the crows and kites and vultures will not be enough to devour them.

In the Madras famine of 1833* groups of people died together in the streets; country roads were like a vast, unprecedented battlefield, strewn with dead bodies. Of the 500,000 inhabitants of Gantur 200,000 starved to death. In the Northern Indian famine of 1837, 1,000,000 perished; in the same region, in 1860, the starvations numbered 200,000. In 1866 one-third the population of Orissa, or about 1,000,000 persons, perished. In the Northern Indian famine of 1869 the mortality was 1,200,000. In the Madras famine of 1877 it was more than 5,000,000. In the Northern Indian famine of 1878 it was 1,250,000. In the great famine of 1897 with two exceptions the worst that had ever visited India, 3,000,000 persons were at one time receiving the Government relief that alone kept them alive.

But all these horrors are surpassed by the startling devastation of the black famine that began in the Punjab, Rajputana, the Central Provinces, and Bombay in 1899 and lasted for more than a year. In June, 1900, 6,200,000 people were on Government relief, and for many months the number so relieved continued to be in excess of all previous records. The resources of the Government broke down under the emergency; money and supplies were required from many lands. The people of England subscribed $2,500,000. America sent 320,000 bushels of grain, a free gift, and subscriptions from every

*These and many of the following statistics and illustrations are taken from "Famines in India," by Romesh C. Dutt, London, Kegan Paul, Trench, Trubner & Co., 1900. This extraordinary book, a clear, logical demonstration from history and official records, written with admirable restraint and judgment, is not less than a tremendous indictment of modern civilization. I commend to all interested persons the evidence Mr. Dutt has amassed that famines in India are preventable and unnecessary, and that the millions slain by them are merely the victims of legalized murder.

considerable city. Yet so great was the calamity that the world's generosity could not stem it. The country was a huge charnel-house, the people died faster than the bodies could be removed, the towns and villages were often filled with the dead, the very air was poisoned.

Of the mortality of that dreadful time there exist only estimates, and these are not officially encouraged. For reasons easy to understand, the subject is not attractive to official speculation. But what the famine really meant for India may be surmised from its astounding effects on the census figures. The census was taken in 1901, two years after the famine began and some months after it had ceased. I give the decrease of population in the famine area as shown by comparing the census of 1901 with the census of 1891:

FAMINE AREA

British States	Loss	Percentage of Loss
Aymer-Merwan	66,028	12.17
Berar	144,622	4.96
Bombay	627,025	3.93
Central Provinces	938,976	8.71
Native States		
Hyderabad	362,143	3.14
Baroda	464,469	19.23
Rajputana	2,175,070	18.10
Central India	1,816,929	17.50
Bombay States	1,167,607	14.49
Central Provinces	177,015	8.09
Totals	7,939,884	11.032

As there was little emigration from India, this astounding decrease in ten years was the work of the famine; the missing people had been starved to death.

In some of the small native states, as, for instance, of the Bombay Presidency, the losses revealed seem almost incredible. In the little State called Pango the deaths were forty-three per cent. of the total population.

These most significant comparisons have been suppressed by the Indian Government wherever it has jurisdiction, and by influence or request elsewhere. I have reason to believe this is the first time they have been put into type. Persons that care to observe the difference between the ostensible and the real methods of government in these modern times may be interested to learn that the official "estimate" of the deaths caused by this famine of 1899–1900 is 1,500,000, and that by some official thimble-rigging this lying estimate has been caused to be accepted universally and implicitly in Great Britain. Even those that do not hold the state of India to represent the sublimation of wisdom and beneficence still believe in that "estimate."

One million, five hundred thousand! Is that all? Take a look at the census figures and see.

In 1891 the population of the states embraced in the famine area was 76,688,340. In 1901 this population showed a decrease of 7,939,880. The natural increase of population for all India from 1881 to 1891 was 10.2 per cent. From 1891 to 1901, in the region not affected by the famine the natural increase was 5.1 per cent. For all India, including the famine area, the figures show an increase from 1891 to 1901 of 1.49 per cent. On the basis of 1.49 per cent. the natural increase in the famine area should have been 1,150,335. On the basis of 5.1 per cent. the increase in the famine area should have been 3,911,105. On the basis of 10.2 per cent. the increase in the famine area should have been 8,589,000.

The decrease was 7,939,880.

On the smallest possible basis of calculation, therefore, that of all India from 1891 to 1901, the actual loss of population was certainly more than 8,000,000, and on the other bases I have given, the actual loss becomes something almost unthinkable.

That in the heart of civilization, in the wentieth century, under a humane, enlightened and Christian Government, 8,000,000 people should perish in a year for lack of food is the strangest and most humiliating fact whereof we have record.

More people died for want of food in India in one year than have perished on all the battlefields of the world in many centuries.

For one hundred years we have been pleased to cry out against the excesses of the French Revolution and the Reign of Terror. It would take 3,500 Reigns of Terror to kill as many people as died in India in one year for lack of food.

When a dam bursts at Johnstown, when Mt. Pelée breaks forth, when an earthquake causes devastation in Italy, the world responds with its ready sympathy; its relief pours in upon the survivors. And yet all the numbers that have perished in all these disasters—how trifling they look compared with the colossal total of 8,000,000 that in one year perished in India for lack of food!

And I beg your attention, good, sympathetic souls, all of your attention and your thought, for two tremendous facts:

1. Famines grow worse and come oftener in India.
2. They are absolutely unnecessary.

The famine of 1897 was worse than the famine of 1892

or the famine of 1889 or the famine of 1878. The famine of 1900 was worse than the famine of 1897.

If then these famines are to increase in severity and frequency, the question before the world is whether India shall become a chronic charge upon the rest of mankind or whether the rest of mankind shall sit by and with stony heart watch this incalculable suffering in the midst of plenty.

The nearest cause, but not the first cause, of an Indian famine is the failure of the rainfall. So long as there is rainfall, there is no famine. Wherever water can be procured after the rain failure, there is no famine. The soil is wonderfully fertile; so fertile that it will produce two and three crops a year, so fertile and so easily tilled that with laughing abundance it responds to a little scratching with a crooked stick—wherever it has water.

But water in India is not really scarce; it is plentiful enough if you go the right way for it.

Let me explain. The greater part of the famine area is as flat as a board. In November, 1905, when scarcely any rain had fallen in seventeen months, the surface earth was baked as dry as powder, and, except in scattered little patches, was merely desert, a sad, dusty desert, wrinkled with those pathetic and futile plowings.

But in the scattered little patches the millet sprang up, the grass waved, the bare brown farmer saw the increase of his tillage.

Each of those scattered little patches was about a well.

From the well the farmer drew water in this wise, as in the year 1000 B. C., to wit:

The top of the well was six or eight feet above the surface of the land. An inclined plane of heaped-up earth led down from the well mouth twenty-five feet, the lower

half being in an excavation. Two upright beams at the sides of the well supported a crosspiece wherefrom hung a wooden pulley with a rope woven through it. Everything, you will understand, was of the crudest and clumsiest. The rope was tied at one end to a leather bucket and at the other to a team of bullocks. The bucket being lowered into the well, the bullocks started down the inclined plane. When they reached the bottom the bucket was at the top. The farmer overturned it into a trough that led about his little field. Then the bullocks came up the incline and the process was repeated. The bucket held about twelve gallons. From one well I examined, the product was about seventy-two gallons an hour. But that was enough to keep green the little field, and so long as the little field was green the farmer and his household could live. The well was twenty-two feet deep and no more.

But not every farm had a well, not every farmer had a team of bullocks to pull up water, nor men to help him. And where there were no wells the ground was baked to brick-dust.

You cannot always get water at twenty-two feet, but usually you can get it at greater depths.* Only there are no modern pumps in India. Every day in that unhappy region the wind blew ten, twelve, fifteen miles an hour, and I traveled 2,000 miles there and saw only two windmill pumps. One was at a hotel and the other at an English dairy. With the great oil-fields of Burma now in independent operation, gasoline should be far cheaper

*It has been urged to me (and against me) by many esteemed English letter writers that my comments on caste and the English Government in India are unfair because caste is a matter of religion and it is the proud boast of the Government that it never interferes with any man's religion. No doubt—only it has been proven many times that the Government can destroy caste without attacking the Hindu religion. But laying that aside, it will hardly be contended that the well and bullock team are matters of religion and I should be interested and delighted to have pointed out to me one reason why the Government has never concerned itself in introducing the simple modern machinery that would save millions of lives periodically in this oppressed and misgoverned country.

in India than it is in the United States. I have never seen nor heard of a gasoline pump anywhere in India, and I have never heard that the Government took enough interest in the matter to try to introduce such things.

In the next place, India ought not to be a dry country. Look at the map. You will see the land crossed and re-crossed with rivers, watercourses, great and small, that drain the enormous reservoirs of the Himalayas, the Vindhyas, and the other mountain ranges where in some places the annual rainfall exceeds five hundred inches. In the spring and early summer these watercourses are full; in the dry season they shrink to rivulets or to nothing. In the summer, for instance, the Jumna River at Delhi covers the bottom-lands a mile wide and six, eight, ten feet deep. In November it is 300 feet wide, trickling through a fraction of its former bed. So with all the other Indian rivers; when they are full they pour down to the waste seas in enormous floods. All that is needed, therefore, is that some of this wasted flood shall be caught and stored* against the dry season, and that from such stores and from the innumerable sources of supply that never dry up, enough irrigating canals shall be constructed to distribute the water over the country.

For years and years this has been seen and preached in India; for years it has been part of the declared policy of the Government. But the work proceeds at a snail's pace, that is the lamentable truth. Even before the imminent threat of another frightful period like 1900 it is a snail's pace. Compared with the immensity of the disaster the irrigation so far achieved is trifling.

In behalf of the Government it is urged that the state of

*Storage has been repeatedly urged in the Viceroy's Council.

the public funds has not allowed more extensive or faster operations.

I do not well understand that.

I find that since 1875 the annual expenditures for the military establishment of India have increased from $40,000,000, to close upon $100,000,000. To the average man it would seem more important to save lives than to take them.

I find that up to the present time the Government of India has expended on its State-owned railway system, above all earnings, profits, and returns, about $200,000,000 and that much of this huge loss has been occasioned by building railroad lines where they are not needed and cannot pay, merely to oblige powerful Capital, or wealthy, influential, or titled Englishmen. To the average man it would seem more desirable to avert famine than to gratify the demands of Capital, callous and greedy around the world.

I find that the Government does not dig irrigation canals for benevolence, but with a discerning eye for profits. It makes the farmer pay roundly for the water he gets. The average net profit to the Government on all its irrigating works in India is 6.35 per cent. a year.* In Madras it is 7.14 per cent., and occasionally it has been as high as 15 per cent. Even where Commissioners have reported that the farmers of a district are unable to pay ten rupees an acre for water the ten rupees have been nevertheless exacted.†

I find that the Government has been engaged in restoring the crumbling tombs of forgotten tyrants, ruined and abandoned cities, worthless old palaces, and decayed and

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* "Famines in India," p. 92 and elsewhere.
† I have found such instances in Burma.

fallen walls. These expenditures, with the sums spent for Durbars and dumb shows, neither bring returns nor ward off famines. The reasons given for not pressing the irrigation work seem painfully inadequate. I should think it much more important to have irrigation than to have the tomb of Akbar refurbished.

Because wherever there is irrigation the famines are banished absolutely, and that is both better and cheaper than to feed starving millions when a famine has begun.

When the famine of 1900 was its at height the Government not only afforded direct relief, but provided work and wages for many persons still able to perform labor. The work consisted of building and repairing roads, digging canals (to a limited extent), polishing old tombs, and so on. For this labor were paid the following munificent wages:

To men, four cents a day; to women and boys, three cents a day.*

At these rates one would think that the Government might have provided work for all the destitute people of India. It might even have utilized for such a purpose the $25,000,000 of annual revenue it derives from the opium that with war and slaughter it forced upon China. I suppose that for such a cause almost nobody would seriously object to coining even that splendid palladium of liberty and progress.

But since the famines usually impose these emergency expenditures upon the Government, and since the Government maintains annually a Famine Relief Fund that must

*Mr. Dutt records that this scale of wages was adopted by the Government in the famine relief work of 1877 and after trial was abandoned because it was found insufficient to sustain life. How what was insufficient in 1877 could possibly have been sufficient in 1900, considering the intervening advance in prices, I do not pretend to say.

be something of an item in the budget, I am the less able to understand the policy about measures that would make famines impossible.

The immediate cause of famines is the failure of the rainfall. The primary and original cause is the atrocious land system and tax system.

The Indian farmer is not improvident, and he is not a fool. If he had any chance in the world he would in plenteous seasons lay by for the lean years and so survive. But because of the land system and the tax system, he is never able to accumulate even the smallest reserve; at the best he must live from hand to mouth no matter what his thrift or what the tilth of his fields.*

Sometimes the Indian farmer is a peasant proprietor, owning the land he tills. More often he rents of the native prince on whose vast estate he is one of maybe a hundred thousand tenants. And often again he rents directly from the Indian Government, which, through the seizure or acquisition of the native territory, has become the greatest landlord in India.

But whether he own his land or rent it, this devilish system grinds him to his last cent. For his rent rate and his tax rate are alike measured upon the produce of his land, so that the greater his industry the greater are the fat takings of the landlord and of the tax gatherer.

The tax that he pays is equivalent to an income tax of fifty to fiftv-five per cent. In some regions it is even more.†

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*In eleven years 840,713 farmers have been sold out for defaulting in their taxes, not only their tenancy rights but their wretched furniture, cooking utensils, and everything but their rags of clothing being sold to satisfy the Government of India. For the details of this amazing story I refer readers to Mr. C. J. O'Donnell's "The Failure of Lord Curzon," page 29.

†Mr. O'Donnell explains this more fully than I can in the limits of these papers.

The system differs slightly in different provinces. I will give some examples.*

In Bengal the farmers pay rent to the landlords, and the landlords pay the taxes. The rents are one-fifth or one-sixth of the gross produce of the farm, and on the rent the taxes are five to six per cent. Bengal is out of the famine area.

In Bombay (State) the farmers pay the taxes on a basis determined every thirty years according to the situation and fertility of the land, and now ranging between twenty and thirty-three per cent. of the gross produce.

In Madras the basis of the tax is one-half the net produce of the land; that is, one-half of the value of the crop after the expenses of cultivating have been deducted. The sum taken is between twelve and thirty-one per cent. of the gross crop.

In Northern India the landlords pay the taxes, which amount to one-half of the rentals, and the rentals are fixed by agreement between landlord and tenant, and usually amount to one-fifth of the gross produce. But in the Central Provinces the amount of the rent is determined by the Government, which thereupon takes more than one-half and sometimes sixty per cent. of the rental.

This is not all the burden. The adjustment of the rate of taxation is called a "settlement," and these settlements are occasionally for periods of reasonable length. But in some of the provinces the "settlements" are frequently re-made, and every time they are re-made the rate of taxation is pushed up, the increase sometimes amounting to as much as ninety-seven per cent.†

*A clear and exact account of these differences is given in the Preface to Mr. Dutt's book and particularly on pages ix, x, and xi. It is worth noting that, having inherited the system from Hindu and Mohammedan tyrants, the Government of India has changed it only to make it worse.

†Many actual instances of this are recorded in Mr. O'Donnell's book, page 30.

The net results of all this is that the farmer of India is the most heavily taxed person in the world. He is literally taxed into famine. While he pays an income tax of fifty-five per cent., the merchant in the city, the tradesman in the town, the happy owners of the comfortable bungalows, pay far less. And still there are those that wonder at famines.

When to all this amazing recital is added the other fact that from one-third to one-half of the revenue thus wrung from the poorest classes in India is annually sent abroad,* it is easy to see how just and reasonable was the English clergyman who with hands folded upon his round stomach declared the Indian famine to be a visitation of God.

The Indian cultivator lives in a state that no American farmer would tolerate for his hogs. Go into one of these Indian villages and see. In clusters of wretched mud huts, drawn together for better protection, you will find all the farmers of the lands for miles about. The thatched huts are of one story, often so low of roof you cannot stand upright in them. They have no windows. All the light and air must come through one doorway against which leans a bit of bamboo matting. Within may be two rooms, with mud walls and a mud floor. The furniture is scantier and more primitive than the Eskimo's. The family sit on their heels in the damp, foul air. So in the rainy season they sit for days while the rains dissolve the flimsy mud walls. And for food these wretched beings have in a week as much nourishment as for a Western American farmer is provided at one meal.

Forty-five per cent. of the people of India—that is,

* In payments to the British military establishment and in pensions to persons living in Great Britain. A heavily taxed country has some chance when the taxes are spent within its own borders. The present system is draining India dry. He must be a blind visitor that cannot see the result in signs of impending trouble.

133,000,000—live constantly in a state of practical starvation, and never by any chance in all their lives have enough to eat.

Why do they submit to the monstrous tax system, to the revenue pump that is exhausting the resources of the country, to the misuse on military, on State-owned railroads, and on old tombs of the money that should be spent on irrigation canals?

They submit because they have nothing to say about their government. They have no share in it it nor influence upon it.

They have no votes.

The Government does not abolish the barbarism of its taxation methods, because there is no material reason why it should. It is in no way dependent upon the farmer, it is in no degree the creation of the people, it is not called upon for anything in this world but for a showing to the home authorities of taxes collected and of money spent for imperial defence.

It has no responsibility. It has no measure of democracy. In the circuit of the world it is the purest instance of autocracy and the most memorable illustration of autocracy's results.

CHAPTER XVIII

THE COST OF THE BURDEN

IF THESE things be not the world's concern, then every dollar we spend upon hospitals is foolishly wasted, every subscription to charity is absurd, all the concern we show in the welfare of others is pretence, the progress of the race is mere perfunctory phrase-making, and there is no suffering anywhere worth a moment's attention.

So far on grounds of common decency.

But also for sharp reasons of self-interest these conditions come home to all the dwellers in the outside world.

When the rains return and the famine for a time suspends and the slaughters in the villages are checked, then epidemics follow in the famine's wake and threaten with horrors the civilized circuit. Cholera, or smallpox, or fever, or the terrible bubonic plague follows every famine; or sometimes all appear at once. Why not? These things lurk in the poisonous water-supplies, the defective sanitation, the undrained cesspools, the germ-laden dust. When the masses of the people are fairly well fed they can resist the infection. When millions upon millions are reduced by famine to the last stages of exhaustion they have no power of resistance. Then the deaths multiply, the weird Hindu funeral-chant sounds through the streets, the fires at the burning ghats light up the night skies.

Then presently the cholera or the plague passes beyond

VICTIMS OF FAMINE IN INDIA
From a photograph made in the terrible famine year of 1900

Courtesy of Everybody's Magazine

LAW COURTS BUILDING AT BOMBAY
The handsomest modern building in India

the confines of this India wherein it was germinated, and the world, with a terrible disease at its doors, wakes up to the meaning of Indian conditions.

For this is the price we pay for slums, this is the price of superfluity and destitution, of too much and too little. The West End of London knows nothing about Spitalfields and Wentworth Street until the influenza that lurks in the subcellars and rotten alleys of the East stalks out some day and lays its hand on Park Lane. It is true. In New York we pay for our rear tenements and stenchful courts when we have four hundred deaths a day from pneumonia, or when cerebro-spinal meningitis moves from Attorney Street and camps in Fifth Avenue. Stern retribution, is it not? We will have slums? Well, this is all they cost—human lives. True, most of the lives are furnished by those that must endure slum conditions. But sometimes part of the cost falls as well upon those that make such conditions.

Look over these statistics of deaths from epidemics in India, and observe how horribly the figures rise in the times of worst famine—for all times are famine times, more or less, in India.

CHOLERA

1897	550,287	1901	271,209
1898	150,817	1902	224,078
1899	169,237	1903	309,967
1900	809,179	1904	192,327

SMALLPOX

1897	160,217	1901	89,778
1898	55,713	1902	115,253
1899	49,560	1903	93,039
1900	85,796	1904	54,734

DYSENTERY

1897	396,724	1901	248,151
1898	209,035	1902	236,208
1899	244,920	1903	272,334
1900	532,704	1904	239,738

The years 1897 and 1900 were conspicious famine years.

Famine slays its millions and the diseases that are famine's children slay their tens of millions.

The rapidity of these slaughters is something to make one gasp with amazement. In 1900 at Godha, a town northeast of Baroda, the government was employing upon famine relief work (at the prodigal wages previously mentioned) 13,000 persons. The cholea appeared and in four days 3,000 of the 13,000 perished.

But the king of terrors in this sombre hell is the dread bubonic plague, the ancient, implacable, and insatiable enemy of man; and the march of this pestilence through the cities of India and beyond is the final indictment of the system that tolerates the slum.

I give these figures to show what the plague has meant for one Indian city, the largest and most pretentious of all —Bombay:

POPULATION OF BOMBAY

1872	644,405
1881	773,196
1891	821,764
1901	770,843

From 1891 to 1901, therefore, after years of steady increase, the population declined 50,921. What became of these people? Dead of the plague, most of them. From 1897 on the plague raged in Bombay. The population should have been 910,000 in 1901; it was 140,000 short of the normal figures.

To show what these things mean I quote these sample records of plague devastations* in a few of many places up

*Report of the India Plague Commission of 1900.

to September 29, 1899. Since then, of course, these totals have been far exceeded:

Region	Plague Cases	Deaths	Population
Poona City and Kirki	23,262	18,063	172,341
Karachi City	10,498	8,156	105,199
Bulsar	1,625	1,191	12,999
Bhiwandi	3,004	2,197	14,387
Karad.....	2,171	1,714	12 371
Belgaum	6,826	5,298	41,413
Sangli	3,010	2,682	14,798
Shahapur	2,202	1,924	12,046
Cutch Mandvi	6,999	5,832	38,155
Bantwa	944	602	8,200

Between the last of February and the first of June, 1897, 2,000 of the 7,000 inhabitants of Lower Daman died of plague.

Small towns and villages suffered in proportion as much as the cities. Here are some examples:

Town	Population	Percentage of Population Attacked	Percentage of Population Died
Ibrahimpur	1,716	50	35
Ingahalli	2,203	48	37
Datnal	1,280	45	36
Shelwadi	4,222	32	28
Lingdhal	1,280	45	36
Bayahatti	3,589	28	22

I know of nothing better calculated to give us pause than a glance at the figures of plague mortality for all India. If this terrible affliction shall continue to spread with this ratio, what will the next few years show?

DEATHS FROM PLAGUE IN INDIA

1895	None	1901	234,672
1896	2,219	1902	445,293
1897	47,991	1903	701,893
1898	89,265	1904	888,678
1899	102,369	1905	*894,922
1900	73,576		

Whereas the disease began in the purlieus of Bombay, it has spead now all about India; it has crossed the Bay of Bengal and attacked Rangoon; it has shown itself in many a place formerly believed to be immune. Three weeks after it broke out in Rangoon it appeared in a town on the Irrawaddy River, five hundred miles from Rangoon, and now all Burma that used to be a happy and rather healthy country is under its shadow. In January, 1906, it entered Afghanistan on its way north. If it shall continue to spread north and west through Persia to the Caspian, to Russia, through the population centres of Europe—what then? If it should begin to attack the world overland instead of through seaports, what then? Imagine such a disease among the peasants of Russia, in the slums of Hamburg, in the reeking dens of Whitechapel! For this is no malady of the tropics; this is a cold-weather disease. A temperature of twenty-two degrees below zero does not kill the germs.

And do you know what the plague does? It slays almost every person it seizes. The mortality varies from sixty to ninety per cent. and in some records it has reached ninety-five per cent.

Yet the plague in the first stages of its progress is a

* These figures are taken from the official volumes called "Judicial and Administrative Statistics of British India," issued by the Government, and are open to some suspicion as to their accuracy, though not on the side of overstatement. The figures do not include the plague deaths in the Native States. Beyond doubt the deaths from plague in all India were far more than 1,000,000 in 1905. In six weeks ending May 15, 1907, they were 451,000, at which rate the year's total will be 3,900,000.

sheer matter of dirt and bad sanitation,* of rats and vermin, of slums and foul dwellings and overcrowding† and dark corners, of poverty and empty stomachs. Places that are clean and have sewers and wide, clean streets and well-fed inhabitants never have plague—until it is brought into them from the slum cities.

Then what is the answer to this blood-red indictment?

And it will not do to think, as many Englishmen in India flatter themselves, that this scourge is reserved for the native alone. "Europeans are immune," is a familiar phrase among those that have never studied the subject. Are they? It would be pleasant to believe that the plague bacillus turns reverently from the sacred white skin, but unluckily the fact is that he is no respecter of persons. The European is no more immune than the Indian. Only, as the number of Europeans in India is a minute fraction, 153,000 British born against 296,000,000 natives, the proportion of Europeans among the plague statistics is small.

But for this there is also another reason, again instructive of the methods of modern government.

The powerful poison generated in the system by the plague bacillus attacks whatever organ or function in the body is the weakest. It may thereupon appear that the patient died, not of plague but of heart failure, if the heart were weak; of septicemia, if the blood were thin; of pneumonia, if the lungs were affected, and so on. In Bombay, at least, and, I believe, in some other cities, Europeans that have died of plague have been reported as dying of the symptomatic disorder that was the imme-

*Explicit information on the connection between slums and plague is afforded in the excellent "Treatise on Plague," by G. S. and John Thomson, London, 1901.

†The Plague Commission Report dealt directly with this matter on pages 161–162. It pointed out that in some wards of Bombay there was one inhabitant to every 7.2 square yards of superficial ground space. But its warnings passed unheeded.

diate cause of death* and by this dissimulation the truth has been concealed.

Europeans (and Americans) are exposed to the disease equally with other men. A friend of mine, an American, living in Calcutta, had one child, a little daughter. The house stood in the most healthful part of the city, the family is exceedingly well-to-do, the members might be thought to be immune if any of white skin are immune. A rat came through the front yard. The little girl's pet dog killed the rat. Two days later the little girl died of the plague.

Any day an infected rat may come through any other dooryard in an infected city, or into any house, or into any ship, or any port.

For rats spread the plague, and rats flock to ships, and ships carry them about the world; and with the extreme indifference with which steamship owners and officers in Eastern waters regard this pregnant source of infection, hardly a harbor in the world is free this minute from imminent danger of plague importation from India. I have seen rats running about the upper promenade deck of one of the most famous steamers that ply between England and the East, and the fact that rats have carried the plague to ports so far away from Bombay as Fremantle, Sydney, Hongkong, Oporto, Auckland, Kobe, Cape Town, San Francisco, Glasgow, and Liverpool gives some notion of the gravity of the peril that issues from the reeking de... of India to menace the world.†

And this is the price we pay for slums.

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*The Plague Commission Report asserted that thirty-five per cent. of the deaths caused by plague had been recorded as deaths from other causes.

†The following news despatch appeared in *The Sun*, of New York, of April 11, 1906: Philadelphia, April 10.—Four cases of bubonic plague are now on the steamship *Burnfield*, from Bombay, which is held in quarantine at Reedy Island. Two other seamen died at sea from the effects of the plague.

CHAPTER XIX

DURBARS AS A CURE FOR NATIONAL ILLS

FOR many reasons of weight to the world at large as well as to himself, to his house, and to the country he is to govern, we may regret that the Prince of Wales did not see more of the real India, the India of famine, plague, and wretched millions.

I know that precedent and the potent example of the Indian government were all the other way. When, for instance, that government desired fittingly to celebrate in Delhi the coronation of King Edward, the form chosen was the unforgetable Durbar of 1903, and with the record of that marvelous and admired event before them the authorities of Bombay can hardly be blamed for choosing diamond displays instead of sanitation to commemorate another joyous occasion. A Durbar, I may explain to the uninitiated, is a function arranged to enable the native princes to display gorgeous attire and compare retinues and elephant trappings. The relation between such a reasonable and necessary entertainment and the progress and welfare of mankind is apparent at a glance. It is pleasing, therefore, to recall that the Delhi Durbar of 1903 was the grandest thing ever known in Asia. It lasted several days and cost $6,500,000. In the same week 20,000 persons died in India of preventable plague. The government did not save their lives, but it soothed their last moments with the precious assurance that the Durbar was an unequaled success. Rude, uncultured

persons, with minds unattuned to the music of reaction, have criticized tbe Durbar and said that at a time when India was exhausted by famine and ravaged by pestilence to expend such a sum upon a barbaric and unmeaning show was wicked. To these disturbers of the social order and agitators for social unrest Lord Curzon, late Viceroy, made crushing rejoinder. Speaking at Delhi, November 13, 1905, his lordship noted such unsympathetic comments as I have described, and denied that the Durbar was in any way an extravagant function in view of the memorable nature of the event it celebrated.* Few persons will be disposed to deny that in the twentieth century the accession of another king is a memorable event, but perhaps not in the way his lordship had in mind, and hardly to be celebrated adequately in Durbars.

The heaviest burden of the Delhi Durbar cost fell upon the native princes, but so perfect is the system by which these useful gentlemen are supported by a starving tenantry that only one of them was bankrupted by his expenses. The rest cheerfully passed the load along to their tenants, collecting increased revenue from regions where famine had lately been and plague was then at its worst. The money thus secured by the entertainment managers must have smelled sweet. It was perfumed with human blood. I have talked with some of the surviving peasants that thus furnished the means for the Durbar. Their comments

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*Lord Curzon said that the expenses of the Durbar were only one-seventh of the amount generally believed, which would make them less than $1,000,000. But as his lordship was speaking of the expenses to the government and the accepted estimate as given above includes all the expenses incurred, his statement does not apply to the point raised here. It is much to be regretted that on this occasion Lord Curzon did not pursue a somewhat more candid and explicit course, for then, perhaps, he might have dealt with the current allegations that the nominal expenses to the government were reduced (on paper) by methods of expert juggling unfortunately not new to Indian finances. It has been asserted, for instance, that the tents made for the Durbar were charged off as purchases by the Artillery Department and that other items were charged to the Army Stores account. Some refutation of these stories would have been full of vivid interest to many persons in India.

would be intensely interesting to Lord Curzon or Lord Minto. Not exhilarating—but interesting.

The visit of the Prince of Wales to Delhi was to have been celebrated with another Durbar, even more wonderful than that of 1903, but the project was abandoned. I asked why and was told because there was no fodder for the horses. The famine was beginning, the country was parched, the crops had failed, there was no green thing in the fields, so, hang it, no fodder could be had, and the Durbar must be given up for a great military pageant at Rawulpindi, up in the hills, where there is plenty of fodder for horses.

These are the fruits of autocracy; even when autocracy is at its best and most enlightened, these are the fruits. It may be freely admitted that many of the gentlemen that have adminstered the affairs of India have been very wise gentlemen, very learned, virtuous, conscientious, and the rest. Their chief duty has been to govern India for England's benefit; their allegiance to their duty has been without a flaw. Very likely many of them have been desirous also of good for India. These have done the best they could do under the form of government allowed to them; but whether in Russia, or in Finland, or in India, or in Philadelphia, that form of government produces nothing but failure. To admit low, common persons to a share in the government may give pain to those of superior intellect, but seems to have ponderable advantage in the way of preventing tax-gouging, land-robbery, revenue-waste, famines, plague, and cholera. Moreover, there is the invariable testimony of history that those of superior intellect have made a hash of government whenever they have secured its exclusive control. Being a very wise person I know exactly what would be good for my neigh-

bor and could administer his affairs most admirably (and to my own profit). But the devil of that is, the obstinate beast will not do what I tell him to do. Of course I can get some Lee-Metfords, if I be an Englishman, or some Krag-Jorgensens, if I be an American, and prove the strength of my position by shooting holes into him and his family. But there again, the signs multiply that he does not like to be shot full of holes and may even some day retort upon me with the same convincing arguments; which would be extremely disagreeable. On the whole then it seems best to let him manage his own affairs in his own fashion—particularly as I have a lurking suspicion that after all his way is quite as likely to prove right as is my own.

The people of India have no chance. They never had a chance. They have no share in their government. They never had a share in their government. The idea of the Common Good has never been even rudimentary among them. For two thousand years they have been the vassals of one form of autocracy or another, of one administration or another that has sought for their own good (and others') to exploit them. In the old days they were the physical slaves of conquerors. In our day they are the political slaves of an exploiting and more or less benevolent despotism that holds them fast by the chains of custom and an enforced habit of mind. Of our own race and blood they are the least efficient of civilized peoples. In seventeen hundred years no Hindu has discovered anything, invented anything, learned anything, or made anything that has contributed to the world's available store or that anybody cares to remember. Nothing worth a moment's consideration ever came from slaves. It is only the free peoples that have forwarded

the progress of mankind. As the Hindus are now they were a thousand years ago. As they were a thousand years ago, so, without democracy, they will be a thousand years hence.

If the gloomy forecast of Mr. Wells and an oft-heard prediction are correct and the Western world is reverting to an autocracy with wealth as the new expression of Power and corruption as its instrument, here is the nation of all the nations on earth for us to study. Here we may see compendiously, spread out before us, in mass and in detail, the vast and multifold evils that come of such a system. For Autocracy is at heart one thing and the same, always, inevitably, everywhere, whether it work with the sword of Akbar or the corruption fund of the Standard Oil Company.

CHAPTER XX

JAPAN, THE ECONOMIC REVOLUTIONIST—STARTLING INNOVATIONS OF A PEOPLE WITHOUT COMMERCIAL TRADITIONS

TO sit at ease and discuss the academic theories of government and the dark secrets of political economy is one of the most delightful and useless occupations known to mankind. With the help of the learned authorities one minded to these gentle pursuits can demonstrate beyond cavil that the state should not engage in trade; that industrial enterprises should be left to individual effort; that all profits are legitimate, however secured; that without a system of reciprocal robbery there would be no incentive to business; that the way anything has been done in the past is exactly the way it should be done in the future; and the like comfortable doctrines. So readily can these truths be shown that by most of our hearthstones all such problems have been pleasantly and definitely settled forever. But while we are engaged in making these philosophical mud-pies, Evolution, which has no sense of propriety and cares not a whit for theories, schools, dogmas, university professors, nor even for the sainted Adam Smith, is preparing for our heads the club that is likely to put an end to all these diversions and dislocate (for us) the whole sanctified science of economics.

For many years after Commodore Perry's historic visit it was the custom of Western nations to regard Japan as peopled chiefly by amusing idiots that existed to supply

us with curios and consume our surplus products. Presently we discovered that these amusing people were duplicating our products instead of consuming them. This jolted the Western self-content until some one formulated the theory that the Japanese were merely "a nation of imitators." With joy we laid hold of this emollient; with fond persistent faith we still cling to it. Even when we see Japan with new methods and a new efficiency crushing the fleets and armies of one of the greatest of European nations, when we see it making unprecedented and sinister records in mobilization, manœuvering, tactics, commissariat, hospital service, still we cling to it. And when, the war being over, there begins to appear a huge Japanese plan for commercial supremacy and commercial activities as strange and startling as any tactics the Japanese forces used in war, still with pathetic confidence we hug the old delusion.

A nation of imitators! As soon as may be we should come out of that trance. Imitation as practised by the Japanese consists of taking the best thing done by Europeans and improving it and perfecting it and excelling it, and then turning it in its bettered state against its originators. Something in this may be fortifying to Western complacency, though I do not know what it is; but in any event we are now face to face with one development of it that may well make us gasp and give grave heed.

Observe some of the fundamental facts in this story.

Here is a country whose population, now 48,000,000, grows at the rate of 500,000 a year. Only one-eighth of the land can produce anything; the rest is barren mountain. Of the arable land you may say that every inch that will grow green blades is under cultivation. So close is the population always to the limit of the country's sup-

porting capacity that when falls a little too much rain and the rice crop is injured, 600,000 people are in danger of starving, and the world must come to their relief.

Plainly, therefore, it is useless to tell Japan to keep within her borders and devote her energies to agriculture and sweet pastoral pursuits. Sweet pastoral pursuits are well enough, but not in a land already cultivated to the utmost, and with a rapidly increasing population. Even if her people were so minded they would have no choice; the sheer force of conditions would drive them another way. Inevitably they must have industrial and commercial expansion—or starve. They cannot live on themselves. They are compelled to go forth and get their living by manufacture and trade.

This is enough to begin with. But it is little in comparison with what follows. This is a country where patriotism amounts to an obsession, to a mania, to a kind of frenzied fanaticism. Other peoples, Germans, Americans, Swiss, are patriotic; but not like the Japanese. While I was in Japan they were holding in the country towns and villages funeral ceremonies in honor of soldiers killed in the war. Nobody wept or felt sad on these occasions; but the populace came and congratulated the relatives of the dead as persons blessed with notable honor. It was a precious privilege the son or brother or husband had enjoyed; he had been allowed to die for Japan. Often with public honors, with long processions under triumphal arches, and with ceremonial pomp the village followed to the cemetery only a bit of a dead man's garment, his cap, one of his shoes, the sleeve of his coat, all that was left of him when the shell or the mine exploded that blew him to death. But in these dreadful relics was no suggestion of pain or horror, but only of solemn joy

and thanksgiving; for the young man, their townsman, had been privileged to die for Japan. "We never turn back" is the phrase often on Japanese lips that speak of national achievements. True enough seems the vaunt. If such stories of habitual and unquestioning sacrifice are told of other wars, the world has no record of them. Many a time the Russians trapped small Japanese detachments; never did they capture one until it was dead or incapable with wounds. There in their tracks the Japanese died, like Macaulay's wolf, "in silence biting hard."

But now the people that have this capacity for self-sacrifice and this insensibility to fear and pain are convinced that their destiny is to be a great dominating world power. Looking back upon an inspiring history crowded with conflicts and victories beyond the record of any other nation, their religious veneration for their ancestors stirs them perpetually with purpose to be worthy of those old fighting and conquering sires. They have pitted themselves against Europeans and have won; the holy white man has no awe for them, and now they feel assured that they can beat him at any game he may choose.

More than this, these wise, keen-eyed people that sit watching intently the daily trend of the world's progress know well enough that the real struggles for world power are to be commercial, not military; and it is on commercial and industrial fields that chiefly they expect to win glory and domination and empire for Japan.

For such contests they have two weapons of astounding and unprecedented power.

First, a working population, intelligent, capable, facile, orderly, extremely industrious, and having a low standard of living.

Second, a government astute as to modern conditions,

resolutely determined to force Japanese influence, Japanese manufacturing, and Japanese commerce, and utterly unscrupulous as to the means it uses to such ends.

The world has never seen anything like this combination; it has never seen nor imagined nor dreamed of the stupendous results that can be secured by it. With cheap and efficient labor Japan can produce at lower cost than any other nation; with its skilful and indomitable government it can build its industrial forces to imposing greatness; with the two, in existing conditions of private enterprise, it can annihilate competition.

For individuals can compete with individuals, firms with firms, corporations with corporations, trusts with trusts; but neither individual, firm, corporation, nor trust can compete with a government. And back of every great manufacturing, commercial, or financial enterprise in Japan, back of it or actively involved in it, is the Japanese Government, the greatest governmental trader in the world.

More and more it becomes clear that this is the new political economy of Japan, these are the tactics by which she expects to win on the commercial battlefield. The Government is not merely to foster manufactures and encourage trade; the Government itself is to do the manufacturing, the Government is to do the trading.

In all the world not one individual, private firm, corporation, or trust will be able to compete in the Japanese market with this Government, thus gone into manufacturing and trading.

Because the Government can at any time exclude the product of the individual, firm, corporation, or trust, exclude it absolutely and forever.

When now we add the next link, which is the fact that the new Japanese tariff, adopted in March, 1906, provides for this exclusion in lines of goods that the outside world once supplied, we can see a part of what is in store for Japanese commerce.

For Japanese commerce, observe; not alone for commerce in Japan. Because we come now to the final great fact, which is that these people have no idea of confining their energies within their own borders, but with the incalculable advantage of government factories to make the goods and government railroads and government steamships to carry the goods, they have attacked the whole vast field of Asiatic commerce in the fixed resolve to conquer and possess it.

And such a field there has never been, no, not in all the world's history. All Asia is waking from the long sleep, the yellow men are stirring, new ways and new wants take hold upon them, the huge compact hordes of people want many things—the hundreds of millions from the sea of Japan to the Ural Mountains. All the East is slowly arousing; you can see easily enough that the old things will not long endure, even in India they will not long endure; and when the new times dawn all the other trading fields in the world will seem poor to this. And when they come Japan will have her hard fists closed upon that field to the exclusion and humiliation of us all.

For Japan has a government resolutely determined, by whatever means, to force Japanese manufacturing and commerce, and Japan has a working population, intelligent, capable, facile, orderly, industrious, and with a low standard of living.

China, Korea, the riches of the East—day by day Japan

drives into these her government industries, her influence, her products, and day by day she begins to elbow from these markets the foreign competitor she has already driven from Japan.

In the light of these facts observe the grave significance of certain recorded figures.

Here is the curt story of thirteen years:

JAPAN'S EXPORT TRADE

	1891	1904
To China	$291,292	$33,997,936
To Korea	733,020	10,199,861

And here is the way Japan has prospered in trade; here is the annual revenue she has derived from her government-owned enterprises:

1893	$ 4,792,744
1898	12,705,029
1903	27,851,033
1904	31,096,011
1905	37,056,446

In other words, she is in business for herself. She is an astute trader; she is pushing her trade to the utmost for the glory and welfare and future of Japan, and for the fatness of her own exchequer. First she is to make everything that her own people consume, and then, with government factories, government railroads, government steamships, sell her products to other nations.

These products will be made by a working population, intelligent, capable, facile, industrious, orderly, and with a low standard of living.

And do you know who will be hardest hit when these gigantic plans are well under way? We shall be, good, complacent, easy-going fellow-citizens, we of the United States. Because the Pacific Ocean is our trading pond,

the Eastern markets are naturally ours. Glance down these figures and see:

JAPAN'S TRADE (EXPORT AND IMPORT) WITH THE NATIONS, 1904

United States	$79,683,508
China and Hongkong	76,725,361
Great Britain	46,318,414
British India	38,208,425
France	29,877,212
Germany	16,400,252
Korea	13,395,252
Dutch India	9,497,403
French India	8,887,308
Italy	6,372,011
Belgium	3,207,180
Philippines	2,072,277

For the first six months of 1905 Japan's imports from the United States were $20,304,204, her exports to the United States $32,518,503, her total trade with the United States was $52,822,707. For the year the total trade was about $100,000,000. This is what we sold to Japan as the first six months of 1905:

Raw cotton	$11,774,464*
Machinery	3,262,231
Locomotives	387,032
Iron bars and rods	155,873
Iron rails	187,484
Nails	265,981
Iron pipes and tubes	174,988
Miscellaneous iron and steel	646,017
Leather	3,223,219
Kerosene oil	2,923,223
Paper	84,243
Oil-cake	60,473
Flour	2,806,620

Without an intervention of Providence favorable to us, the next five years will show some notable changes in these

*For some of these statistics I am indebted to a pamphlet compiled by Mr. Henry B. Miller, the efficient American Consul-General at Yokohama. Mr. Miller's work is so excellently done that in the comparative dearth of trustworthy Japanese statistical information it is impossible not to wish that he would extend the field of his investigations.

figures, for with few exceptions these are the identical commodities that the Japanese Government plans to produce in Japan and sell to other nations—either plans to produce them, or is already producing them, a fact of which even the lawless Standard Oil Company has been made painfully aware.

These matters and the Japanese purposes become clearer if we take concrete illustrations. Manufactured tobacco and cigarettes, for instance. Once we enjoyed an abundant trade with Japan in these things, for we had taught her to want them, and then joyously we supplied her want at high prices. Thus in the end Japan served copiously to swell the hard-earned treasures of the American Tobacco Trust, for the Japanese were industrious consumers and the Trust could charge what it pleased, having the trade by the throat. But when the Trust had established branch houses and offices and works and invested in them $12,000,000, the Japanese Government concluded that it might as well have the goodly profits as let the Trust have them, so it went into the tobacco business on its own account. It bought factories and stores and passed a law establishing itself in a practical monopoly of the tobacco trade, for no makers of cigarettes, cigars, or tobacco were allowed to sell their products until they had been offered to, and declined by, an agent of the Government—a necessary provision, because in Japan cigarette-making is largely a domiciliary trade. Still there might have been left to the American Trust a chance to compete in quality of product or in some special lines if it had not been for one thing. The Government put an import duty of 250 per cent. on cigarettes and tobacco. Thereupon the American cigarettes vanished faster than their own smoke, and the defeated American Tobacco Trust was

glad to sell to the Government (for wnat it could get) its business and branch houses.

Now in the Japanese shops you can see on shelves formerly loaded with American product nothing but the cigarettes and tobacco of the Japanese Government.

From this trade revolution certain results have followed very suggestive to minds observant of the changing order:

1. The Government furnishes perfectly pure tobacco; the people are not poisoned nor defrauded at their tobacco shops.

2. The Government derives from the trade the profits that formerly went into the Trust treasury. The tobacco business has become a great source of public revenue. When the tremendous expenditures of the Russian war began to be felt, the Government raised the prices of tobacco and cigarettes, and thus its operations as a tradesman enabled it to beat Russia.

Now it has launched itself directly into the international tobacco trade. Having driven the American Tobacco Trust from Japan, the Japanese Government is keenly contending with the Trust for markets elsewhere. It is selling great quantities of its cigarettes and tobacco in Korea and China. It is duplicating American Trust methods by selling abroad for less than it charges at home. With its great advantages in nearness to the market, in its control of transportation charges, in its cheap labor, other tobacco vendors have small chance against it, and when it secures the vast Chinese and Korean fields its opportunities for profits will be far beyond any trust's. Who shall compete with it? Who shall say it nay? No combination of individuals, certainly, no company, no firm. Nothing can check it but the opposition of another

national trader, and in all the world there is no other national trader to speak of with this.

It has a monopoly of tobacco, it has a monopoly of salt, it has a monopoly of camphor, it will some day have a monopoly of matches, it is most obviously planning other monopolies, it is actively interested in the silk- and cotton-spinning industries, it has vast plans about tea, it is going into the flour business, it is inspiring, directing, or controlling most great industries that it does not absolutely own. And steadily, day after day, year by year, without turning, without pause, it is thrusting the foreigner from the Japanese market, as in its deliberate, resolute way it plans to thrust him from the whole Pacific.

Let me tell you a little story about flour. Japan raises some wheat, but not enough, and for years she has imported heavily of American flour, which is our article of principal export to the Pacific. Years ago Russia leased from China a certain ample territory in Manchuria, now tapped by the Russian railroad. This territory contains some of the best wheat land in the world—undeveloped. The Russians quickly perceived the wheat possibilities of this region and had begun to get it into order and to establish mills and warehouses when the war came on. The silent little brown men, "the nation of imitators," crumpled up the great Russian power like so much burned paper, and among the spoils of their victory was the southern half of that leased Manchurian territory, the choice wheat land, and the railroad that traverses it.

That territory can grow wheat enough to supply all of the present Western Pacific flour trade.

The Japanese Government is now engaged in spotting that region with flour-mills and developing the growing of wheat. In a year or two it will be ready to produce

flour. No hurry. The Japanese are never hurried. Quietly they plan and scheme; with wondrous skill they build the trap and prepare the tools, and when the proper time comes go forth with certainty to skin the prey.

When the flour time comes for Japan she will be quite well equipped for competition should we or others care to make the issue. For Japan owns the railroad over which the flour must pass, she subsidizes and controls the steamship lines that must transport the flour abroad, she can lay down the flour in Japan or China at any price she pleases. She can control the transportation rates.

Meantime the new Japanese tariff increases by one-half cent a pound the duty on flour, and meantime also in China, where Japanese influence daily becomes stronger, a timely boycott drives out the American product.

"The United States must dominate the Pacific!" shouts an eminent authority, echoed by a large, properly admiring chorus. Yes? Well, if it is meant to dominate the Pacific with a thousand war-ships, that is one thing; if it is meant to dominate it peacefully and commercially, our present chances against the Japanese Government engaged in trade, armed with prohibitive tariffs, reënforced by its steamship lines, railroads, and banks, driven forward by the insistent problem of its population, supported by economic conditions strange, unprecedented, and almost appalling, are not worth prolonged discussion.

Are we quite sure we know what these people can do? Only fifty-three years, remember, since Perry opened the door, and here is a collection of barbarous tribes erected into a great, educated, ambitious, restless, scheming,

observing, resourceful nation. Are we sure about them? Observe some figures of their productive energy:

	1893	1903
Cotton goods manufactured	$869,053	$15,545,199
Cotton flannel	2,467,717	5,311,755
Matches	2,240,869	4,986,745
Japanese paper	4,030,558	6,206,615
European paper	1,144,222	3,585,912
Porcelain	1,601,911	3,487,771
Lacquered wares	1,297,850	2,685,712
Bronze and copper wares	357,205	1,433,533
Leathers		1,298,217
Straw plaits		1,942,866

In 1893 there were twenty electric-light companies with a total capitalization of $1,855,300; in 1903 there were sixty-seven companies, lighting 69,328 houses and having a capitalization of $7,714,125.

Are we really sure? When Japan took over the island of Formosa in May, 1895, the place was a chaos of misrule and confusion. I wish I could tell here the whole story of how Japan reduced it to order, straightened out its affairs, established government, and gave it prosperity. I can but mention the fact that in ten years the revenues of the island increased from $2,500,000 to $10,000,000, and every branch of industry has sprung forward, the increased production in some lines being 400 or 500 per cent. I cannot say that our record in the Philippines looks particularly sweet by comparison.

Are we really sure? Look at Japan's shipping records:

	1894	1904
Number of home-built steamers in Japanese merchant marine	12	114
Number of foreign-built steamers	23	129
Private shipyards	53	200
Foreign officers of Japanese ships	839	349
Japanese officers of Japanese ships	4,135	17,032

The first Japanese steamship company was organized in 1872. The latest published record contains a list of 124 such companies (including tugboats) with lines covering the Orient, and extending to America, Europe, India, and Australia. The total tonnage of steam and sail under the Japanese flag is now 1,000,000 tons.

Are we sure? Take education. Only fifty-three years since the door was opened and here are 27,128 public schools, 100,000 teachers, more than 6,000,000 pupils.

Percentage of attendance at public schools of all children of school age:

1873	29
1883	51
1893	59
1903	93.23
1905	96.26

In 1873 only 15 per cent. of the girls were at school; in 1903, 89.58 per cent.

Fifty-three years, beginning without education. And now universally educated, unhampered by tradition or medievalism or dry-rot, driven forward inexorably by conditions and by ambition into the commercial contest wherein Japan can overwhelm any other nation on earth.

For she has a government that does not hesitate to supplant individual with government enterprises, and she has that working population, intelligent, capable, facile, industrious, orderly, and with a low standard of living.

CHAPTER XXI

THE GOVERNMENT AS BANKER, TRADER, AND TRUST MAGNATE

IN FRONT of the war museum at Tokyo is a heap of scrap-iron, being all that is left of a great Krupp gun used by the Russians at Port Arthur. The carriage is in fragments, the barrel is hammered out of shape, the breech-block is shot away, part of the muzzle is missing, the thing is a wreck, pounded to pieces by Japanese shells. And a hundred feet away is the gun that conquered it, the 28-centimeter Japanese rifle that wrought all this havoc. And it stands there and grimly looks down upon its crushed opponent fallen pathetically at its feet. Twenty Japanese shots tore the Russian gun to shreds; but on the Japanese gun are marks of only two balls, and these barely scratched its frame.

And men come and look at these machines and say that there they have seen something typical, something that expresses in visible symbols the spirit of Japanese achievement. Once Japan bought all her artillery abroad of Krupp and Armstrong. But the Japanese mind studied out the principles of Krupp and Armstrong and brooded upon them, and designed improvements upon them, and then this Japanese design was fulfilled by Japanese hands in a Japanese arsenal. Once Japanese troops were trained and drilled in the European tactics. But Japanese officers studied and learned until the European drill-masters had nothing more to teach. Once Japan bought

all her small arms in Europe. But a Japanese dissected the Mauser, and sat long hours in study upon it, and from his study evolved an improvement, and now the Japanese army bears Japanese guns made from Japanese designs in a Japanese workshop.

The time came when the Japanese tactics were tested on the field against the best European tactics, when the Japanese rifle was pitted against the Mauser, when that 28-centimeter Japanese gun made duel with the Krupp. And in these tests the European tactics proved worthless, the Japanese rifle triumphed over the Mauser, the Krupp gun was pounded to these memorable fragments.

With a vengeance Japan had bettered her instruction.

And now the great question for the Western world is whether she is not to send us to school in economics as she has opened our eyes in warfare, in her faultless commissariat, for instance, or in her wonderful hospital service.

In old days the experts were wont to derive great satisfaction from proving how wrong were all Napoleon's methods, how they violated precedent, practise, and all the rules of the game and would have been condemned by the authorities and all the learned writers. He attacked by night, he made forced marches, he performed bewildering flanking movements—all illegitimate and most reprehensible. But he won the victories, which is something never provided by the learned writers; he won the victories and made himself master of Europe and rewrote the art of war to suit himself.

Doubtless it is very wrong for Japan to go into trade and government ownership. Properly conducted governments have no right to become manufacturers, merchants and transportation agents. All precedent is against it, the learned writers condemn it, the accepted rules of the

governmental game forbid it. But there she goes day after day, plunging farther upon her evil course, and the plain, practical question for nations like ours is not how far Japan has wandered from the true faith of Adam Smith, but what are we to do to keep our trade from being battered to pieces by her.

For evil as Japan's course may be, no one can deny that it is planned with amazing skill and with a knowledge of Western world conditions both accurate and exasperating, and that it means mischief to the rest of us.

The Japanese Government knows quite well what is going on elsewhere. For years it has been in the habit of quietly sending abroad commissions of its grave, silent, observant citizens to study various conditions. These bodies are wont to beat no tom-toms and to make no proclamations of their errands. Noiselessly they go from place to place to study, to watch, to compare, to weigh, and when they are done they have absorbed every phase of the subject. Thoroughness is the first of the Japanese virtues; when these people embark upon an undertaking they leave nothing for anyone else to show them. With these commissions and its own vigilant observations, the Government seems to have mastered about everything worth knowing in the modern European experience, whether of economics or finance. Not a new industry has been established in Japan until the Government has sent one or more of these commissions to study it wherever it exists, to study it and what conditions affect it, and how it can be improved; and then report upon it, cold-bloodedly, without enthusiasm, purely on the basis of practical advantage to Japan. Not an important national policy has been adopted without the like deliberate study. If two, three, five years be consumed, if the inquiry lead

around the world, no matter. First the whole subject must be turned inside out, then the Government decides whether the enterprise or policy will be to Japan's benefit; and if the judgment be affirmative, the Government proceeds to establish the enterprise or adopt the policy.

One of the first conclusions of this astute Government was that a nation's money-supply is the very heart's blood of its commerce, and that private control of the money-supply not only gives too much power to individuals, but subjects the nation's commerce to many dangers of arbitrary and selfish influences. Hence it arranged to keep in its own hands the control of the Japanese banking business. This is effected through three great institutions, all practically owned by the Government: the Central Bank of Japan (the leading bank of issue and the Government's financial exponent); the Hypothec Bank, whose function is to care for agricultural interests; and the Industrial Bank, whose specialty is to supply manufacturing concerns and to foster trade extension. Besides these the Specie Bank of Yokohama has special functions in looking after foreign commerce. Through these institutions the Government has in its control the vital supply for every commercial interest of Japan.

This tremendous power it next proceeds to use for its own purposes in government affairs, and always, in every possible way, to further and extend Japanese trade and industry. It is not content merely to open the door and let its citizens scramble for themselves; it makes sure for them all obtainable advantages and returns. When at the public expense it has gathered by one of its traveling commissions the secrets of any industry, it supplies (through its banks) the capital necessary to establish that industry. By means of this money-supply it becomes in

absolute control of that industry; by means of its tariff it gives the industry every advantage in the home market; by means of its subsidized and controlled steamships, every advantage abroad.

Other nations have troubles arising from the private control of the circulating medium. Japan has none. Other countries have troubles arising from the accumulation of wealth and power in the hands of a few. Japan, carefully noting with a discerning eye the problems that assail Western nations, purposes to obviate all such troubles in her own country by making the Trust a definite, legalized, and regulated part and function of the Government instead of an engine against it.

Let me show you how. There is a Brewery Trust in Japan. Once Japan imported all the beer she consumed. After a time she learned how to make her own beer, and at several places breweries were established with Japanese capital. These for a time competed—with the usual result. In 1904 the Government itself conceived, planned, initiated, and organized the Brewery Trust of Japan, and now directs the Trust's operations. Under government direction the Trust has prospered amazingly, and while stupid competition has been eliminated no one has been injured, no one has been garroted or robbed. Meanwhile under government control the amount of beer exported from Japan in 1905 was double the amount exported in 1904, and the amount exported in 1907 will probably double the amount exported in 1905, for under government directions Japan is beginning to seize the beer trade in China and Korea.

CHAPTER XXII

THE NEW COMMERCIAL TACTICS

SIT in the gallery of the Lower House of the Japanese National Parliament and observe thence the new force that civilization and education have loosed upon the rest of the world.

The chamber is about as large as the House of Representatives at Washington, comfortable, convenient, and planned for business. The members sit at desks facing the Speaker's high dais midway of the long side of the room. Ten or twelve members wear the almost obsolete native costume; the others are garbed like Europeans. You will notice first of all that these men do not sleep, like members of the British House, nor read, nor write, nor transact at their desks their private business, like the Representatives at Washington. They listen to every word of every speech. They are liberal of applause and dissent. Everything that is said seems to mean something to them. There are no long, dreary harangues, and no permissions to print in the *Record*. Members that address the House mount a rostrum just below and in front of the presiding officer. Their speeches are short, sharp, direct, and full of point. Often they are witty and very often eloquent, but never are they entered for the endurance prize.

You observe the faces intent upon the speakers, the lines of long, strong, square-jawed, brown faces, and it startles you to reflect that the powerful, indomitable

nation of which this grave deliberative assembly is the symbol has been created in fifty years from the least promising of materials; that in fifteen years it has been lifted to the front rank among peoples; that all the world has been amazed by its performances. And then you will suddenly perceive that in your eyes every face before you is an impenetrable mask. From each you receive a definite impression of power, of quiet, self-sufficing, conscious power; but beyond this—nothing. All you can see are eyes, nose, mouth, and the blank stone wall of an expression from which no amount of scrutiny will enable you to draw a hint of the thought within.

But of one thing you are quite certain: These men are clearly capable of achievements very different from the accustomed ways of the Occidental world, and after you have observed them well you begin to understand that ditch at Mukden and many other things in the dazzling Japanese records.

At Mukden, you will remember, the Russians made a last stand in a fortified position regarded as impregnable. About the high entrenchment ran a ditch of extraordinary depth and width, the bottom bristling with sharp stakes and barbed wire. Batteries of rapid-fire guns commanded every inch of the approach.

In the attack the time came when a charge was necessary. A column advanced at the double-quick. Rank after rank disappeared into the ditch to be shot, crushed, and mangled. When a sufficient number had been sacrificed to fill the ditch from side to side, fresh troops crossed the bridge of dead bodies and stormed the wall.

It is in these people to do such things, just as it is in them to startle the world with new tactics in commerce

and political economy. To endure the worst situation without complaining; to better it by any possible expedient, however unprecedented; to devise constantly an improvement upon old methods; and to win for Japan in every undertaking—these are the Japanese ideas to which the rest of the world must needs pay heed. The little brown men with the stone-wall faces feel no sense of timidity or awe in facing governmental problems. Ancient formulas hold no terrors for them. The Emperor advises with the elder statesmen that compose his much-respected but constitutionally unrecognized Privy Council, the watchful commissions and experts make their careful reports, Parliament debates and decides. The result may be highly shocking to our own beautifully logical views, but it remains and it is effective.

I have told something of the new Japanese methods of banking and business. Here are a few more illustrations:

More than the world suspects, the Russian war strained Japanese resources; for the Japanese are the modern Spartans, no one knows when they are hurt. The interests of Japanese credit demanded that while the war was on gold should not be largely exported, for heavy gold exports would be announced in every part of the world as the sure sign of trouble. Those shrewd, cool-headed men that among so many rocks and shoals steer the Japanese ship watched narrowly the safety-gauge of the exchange rate as it rose and rose. Very well they knew the point at which large exports would begin, and when the indicator was close to the danger line they acted in a way without precedent among governments. Three foreign banking corporations do most of the foreign banking business in Japan. The Specie Bank is a Japanese institution over which the government has a secret control. On a certain

day the management of the Specie Bank opened with the three foreign banks negotiations concerning the rate of exchange, and the result was that the three banks agreed to take the daily rate as it should be announced by the Specie Bank. But it was also agreed these banks should send to the Specie Bank memoranda of the amounts they would have made by exporting gold if the rate of exchange had been allowed to take its normal course, and every day the Specie Bank paid to the foreign banks the amounts represented by these memoranda. Naturally the money thus paid came out of the Japanese treasury. And that is why little gold was exported from Japan in the worst days of the war stress.

Given a government willing to engage as trader and manufacturer in every-day commercial pursuits and equipped with extraordinary adroitness in managing and concealing its operations, and the problems it can make for other nations are not to be solved by text-books.

Once we had good export to Japan of bicycles, for the Japanese make much use of these things. After a time the Japanese, following an invariable custom, took our bicycles to pieces and studied the parts. Soon they began to make bicycles of their own. Then the government helped to establish bicycle factories. Now the new tariff will impose an import duty of forty-five per cent. on foreign bicycles, and when that goes into effect our Japanese bicycle trade will be among our reminiscences. Not only that, but the Chinese are begininning to take kindly to bicycles, and Japan, having a working population, capable, intelligent, industrious, and with a low standard of living, will be able to supply the Chinese demand.

The Japanese are making their own cotton goods (under government encouragement), they are beginning

to make their own woolen goods (under government encouragement), and they look forward to the time when, by methods similar to those used in the tobacco business they will be making these goods for the Orient. German cotton spinners and English woolen weavers are beginning to glimpse the meaning of these developments. For the time being Japan is importing from us the raw cotton she uses; but the government's experiments in cotton-growing in Formosa and southern Japan foreshadow the pleasant surprise she has in store for our cotton exporters. Japan for the Japanese, commercially, and work and wages for those increasing populations—to these great ends wars are but incidents.

What shall be the limit to the performances of a nation that cares nothing about precedent, is not awed by vested interests, is possessed of a demon of patriotism, and cannot be bound by any convention or treaty that it is determined to break? For in treaty-making this is the great slippery eel of nations; you shall never know when you have it fast. With us Japan has covenanted at our earnest request that she will not subsidize certain industries—for instance, tea export. Some years ago she set apart an annual appropriation for the Japanese Tea Guild. Subsidy? Not at all, said the Japanese Government; nothing in the way of a subsidy. It was merely to advertise Japanese teas, advertisement having been made necessary by the serious and growing competition of Ceylon and Assam teas. I am told that about one per cent. of the money was actually used for advertising. The rest went to pay the expenses of branch-teahouses opened in New York, Boston, Montreal, Chicago, and elsewhere Why were these branch houses desired? Because for years foreign firms, chiefly American, had possessed the tea-

exporting trade of Japan, and the Government was determined to secure that trade for Japanese interests. Foreign governments protested at Tokyo. They wasted their time. With that faultless politeness that is one of the charming traits of the Japanese, the Government officials gave assurance of their most distinguished consideration —and renewed the appropriation. It lapsed while the war was on, because Japan had need elsewhere for all her funds; but now the Government has in hand an act that will finish the work begun by the appropriation and effectively put the foreign tea houses out of business.

Of course it is very wrong for Japan to go into trade. It was very wrong for Germany to defy the economic authorities and show Japan the way to this sad misconduct. But the real question for us is not the economic ethics of this sort of thing, but what we are going to do about it. When your trade is failing and threatened with extinction, nothing is accomplished by denouncing the ill manners of the gentleman that is choking it. Japan ought not to go into trade. But that is what she has done, and now as surely as day follows night we shall have painful cause to note the consequences.

Along its chosen path the Japanese Government proceeds not always without stubbing its toes. One of its cherished designs is to add to its lucrative business the exclusive manufacture of matches. This is quite in line with the rest, for the match industry is one of the sprouts of government culture, and speaking generally the governmental policy seems to be that as soon as an industry begins to make profits from sales abroad, that industry is to be added to the Government's enterprises. Accordingly, a bill was prepared three years ago for the taking over of all the match factories. As I have tried to point out be-

fore, the battle between private gain and the Common Good is world-wide. In Japan the influence corresponding to our Rockefellers and Morgans are chiefly comprised in the great Mitsui family. The Mitsuis own banks, railroads, factories. They were heavily interested in the match business, and did not relish the prospective loss of its rich profits. Moreover, in common with other great families and interests, they regarded the Government's intrusion into trade as revolutionary, fraught with peril to the better classes, and not to be endured by those to whom Providence in its wisdom had entrusted the property interests of the country. So they brought certain influences to bear upon the National House of Representatives and defeated the Match Bill. It was like America; experienced Americans watching the progress of the bill almost fancied they were at home.

The Government was defeated, and the Match Bill was dropped. But the Japanese are patient; they can always wait. The Match Bill is coming up again before long, and this time it will pass. This is not a government that must needs twice learn its lessons. It has been taught about matches and the Mitsuis. Consequently it is now proceeding in a way to eliminate the Mitsuis from its future problems.

For the full story of this transformation I have not the space in these pages, but I desire for the sake of the lesson involved to relate the only other instance wherein notably (for the time being) the stalwart Government suffered defeat.

Silk is one of the greatest interests of Japan. Control of the silk industry is vested in the Silk Guild. Control of the Silk Guild is vested in the Government. Much spinning and weaving of silk is done in Japanese households.

But no one may sell raw silk until it has been offered to the Silk Guild. That is law.

Many foreign houses are engaged in exporting Japanese silk. In years gone by their profits have been exceedingly fair to look upon. Japan is pleasant for residence. The foreign houses did well and their representatives were happy. But the Japanese Government desires to have this agreeable business for the Japanese. So it drew a bill providing for government inspection (at the exporter's cost) of all silk intended for export. The exact operations of this bill are too intricate to explain here, but in a general way it would reveal to the government inspectors the secrets of the foreign exporters' business. Some features of the bill seemed to bear harshly upon the small producers. An adverse agitation was begun and so managed that it secured the bill's defeat in the House. But no well-informed person seems to doubt that in some form it will come up again and will pass.

Japan for the Japanese, not through violence, nor hostility, nor forcible exclusion, but still Japan for the Japanese. Not less than other peoples they have grown weary of being exploited. From this time on they are to exploit themselves.

So the time seems to be past for sitting about and discussing the learned authorities and the theoretical phases of government ownership and government trading. These may be very bad, they may even be, in the words of President Roosevelt, "the greatest misfortune that can befall a nation," but that is not the question here. The question for us is what we are going to do about our commerce thus threatened with disaster in the Pacific. No doubt we can walk the old ways and let the Japanese locomotive run over our trade and destroy it,

and we can still survive. But as to that, one little suggestion:

If it should be destroyed and we should become commercially extinct in the Pacific—how about the Philippines?

CHAPTER XXIII

THE GOVERNMENT AS A RAILROAD COMPANY

A GOVERNMENT like this, ceaselessly watching economic developments around the world, could not long overlook the issue between private and public ownership of public utilities.

The first Japanese railroads were built by the Government; but when the system was organized the Government encouraged private companies to construct other lines until the privately owned railroads much overshadowed in number and importance the original Government lines. The Government lines continued to be public property, but were not notably extended; the private lines grew in all directions. At the close of 1904, 4,495 miles of railroad were open to traffic, of which 3,150 were owned by private companies and 1,345 by the Government.

Many other matters besides the obvious trend of events in Europe drew Japanese attention to the public-ownership problem. The Government found that control of the railroads was indispensable to its vast plans for industrial and commercial progress. Unless it could make the rates to the seaboard it could not put Japanese manufactures in the way to crowd competition from the foreign markets. Moreover, the revenues derived from the state operations in the tobacco and salt trades had become important items in the budget; the state was making money in its business ventures, it was securing an income that, without grievous tax burdens upon the

people, it could not secure in any other way. The idea was impressed upon the statesmen that the state might as easily as the companies reap the golden harvest of railroad traffic. Some of the private companies had indeed fared of the best. The Nippon Company was making annual dividends of ten and eleven per cent.; the Kobu, of twelve and thirteen; the Sangu, of fourteen to eighteen; the Nankai, of eight to ten. Scarcely a private railroad in Japan was failing to return profit, and meantime there was the suggestive fact that the Tokaido line, the chief possession of the Government, turned into the national treasury year by year fifteen to sixteen per cent. on the cost of construction. In 1904 the net earnings of this line were $4,385,299, the net earnings of all the state railroads were $5,106,107, of the private railroads, $9,548,854 —and the Government needed the money.

But in truth the Government had long been turning over the project, turning it over and studying in the true Japanese manner every phase of it, absorbing the details, taking it to pieces as the man dissected the Mauser. Some of those noiseless-footed, soft-spoken, gimlet-eyed commissions went around the world examining the systems of all the great nations. They studied the state-owned railroads of Germany and the private-owned railroads of England. They saw what Hungary had done and what Austria was trying to do. They went over the French method of state control. They studied the lately adopted state system of Switzerland. They weighed one country against another like a man weighing precious stones. They looked down from the gallery of the United States Senate and read on the collars of this puppet and of that the names of great railroad companies. They saw the strings that led to Wall Street and, being pulled, caused

this senator and that to dance. They gathered the significance of "the System," they saw the path beaten by august feet to the stock tickers; they learned how senator after senator owed his place only to the railroad or trust that owned him body and soul. They learned the story of the Louisville & Nashville; of Mr. Depew and the New York Central; of Platt and his methods; of the creatures of the Pennsylvania; of the means by which the Western railroads manage state conventions, choose candidates, elect legislatures, and buy city councils. They learned about campaign subscriptions and how political parties are maintained from railroad and trust treasuries. They learned the story of the millions raised by the railroad companies for the political campaign of 1896. They saw how "the System" worked, how it was absorbing one railroad after another, how its investments were like a rolling snowball, certain to become an avalanche. They learned how men really desirous to maintain the democratic form of government were overwhelmed and silenced by a power that owned or controlled newspapers, distorted the news in the eyes of the public, dominated Congress, debauched public men, maintained political machines, and subtly and secretly steered the national Government wheresoever it would. They learned how the great corporations were substituting irresponsible autocracy supported by corruption for the only kind of government that can endure the shock of modern conflict. They saw and learned and absorbed all these things and went home; and perhaps in view of all they observed it was not so wonderful that even at the least propitious time the Government determined to put an end to private railroad ownership in Japan.

The time seemed inopportune because the war was

barely over, one of the greatest wars in history, and it seemed to every European observer, judging by all European precedents and standards, that the monstrous expenses of such a contest must have left prostrate a country of resources so narrowly limited. As a matter of fact the European observers universally, I think, overlooked the truth since become apparent, that Japan fought the great war and won it without any great increase in her national debt, a startling truth to which it is impossible to give too much thoughtful heed. But certainly Japan is not a rich nation: her natural resources are not great. At all times she must make her way by skill and audacity more than by natural wealth. To a country three times as strong as Japan the war might easily have seemed a huge and ruinous burden. And now to add to her debt and her other supposed troubles the purchase of railroads whereof the construction account alone is $116,252,552 seemed to the European observers a step hardly less than insane.

Yet no doubt it was deemed by the men at the helm a thing unavoidable if they are to carry out their plans for the future greatness of Japan, or if they are only to provide for that terrible and growing problem of population that at every turn confronts them.

The plan by which the private railroads are to be bought contains features calculated to shock the American mind. By the terms of the original charters the Government was to have after certain years the option of purchase, but the period has in no case elapsed, and in most cases it is twenty or more years away. Yet it is now purposed that following the lines of the Berlin decision, noted some chapters back, the needs of the Common Good shall be held to be superior to individual rights or vested interests,

and the Government shall, if need be, seize the property of its citizens. Moreover, the compensation for this seizure is arranged in a way that does violence to our ideas of propriety. No reference is made to the market price of any stocks, bonds, or other securities. The widows and orphans are wholly disregarded. Each road is to be purchased on the basis of its construction cost to date plus an additional sum computed on the average rate of profits for six half-years between 1902 and 1905. The purchase is to be completed any time within five years, and the owners receive, not cash, but Japanese government bonds bearing five per cent. interest, calculated on the basis of the average market price of the bonds six months before the purchase, the bonds being deliverable within two years.

Like it or dislike it, the companies will have no recourse but to sell. They cannot ask a supreme court like ours to nullify the plans of government, because in Japan they have never thought it well to hamper their progress with a power superior to and independent of the national will. The companies cannot enter upon a long-drawn-out legal contest with tons of briefs and cargoes of precedents, with appeals and new trials and irreconcilable decisions, because Japan, being still barbarous, no doubt, is not equipped with these accessories of a benevolent and advanced civilization. Under this bill all they can do is to sell, and sell whenever the Government wishes to buy and at the Government's price, and keep still about it, although in the case of the Nippon Railroad alone the poor widows and orphans stand to lose $40,000,000 from the gambling value of their shares.

The appearance of the bill about the first of March

caused an animated public dicussion. Of all the people in the world the Japanese have the steeliest temper. To lose in anger or bitterness the serenity of one's self-control is in Japanese eyes unpardonable. Nobody got mad about the railroad bill, but I judge that the stock gamblers of Tokyo came as near to anger as Japanese ethics will allow. All the native newspapers debated the measure, and a majority unsparingly condemned it. Also much wisdom of a foreign origin kindly illuminated the situation for the Diet. In the larger Japanese ports are published many English newspapers. With few exceptions these strenuously opposed the measure. All the influences that believe they have a call to show the Japanese what to do and how to do it were a unit in opposition.

More to the purpose, the native writers objected vigorously to the proposed increase of the country's obligations, to the involved danger to the country's credit, and to the probability of impaired service. So far the privately owned railroads had done better than the government lines. No government could do anything so well as individuals could do it. To the public a loss of efficiency in service seemed certain. Government roads cost more to operate than private roads and rendered, it was said, an inferior service. Moreover, it was manifestly unfair to compel the owners of these railroads to sell their property at a price arbitrarily fixed by the Government. In good faith persons had bought at current market rates the shares of the private companies. It was now proposed to inflict upon these innocent purchasers a loss that had not even palliation in a national necessity.

The state railroads with a mileage of 1,344 cost

$79,313,135 to construct, forty-one private railroads with a mileage of 4,485 cost $116,522,552.

	State	Private
Average gross earnings a mile	$7,842	$5,783
Average expenses a mile	3,859	2,678
Average net earnings a mile	3,983	3,105
Percentage of expenses to receipts	49.2	46.2
Construction a mile	51,814	36,121*
Average monthly wages a mile	7.75	6.65

In the discussions of the bill stress was laid upon the facts that the private railroads have only twelve employees to a mile while the state railroads have seventeen; that, according to the total receipts, passenger and freight rates on the state railroads are slightly higher than on the private railroads, and more to the same purpose.

When the bill reached the Lower House of the National Diet all these reasons and many others were presented with great force by Opposition members. Japanese orators are commonly ready and eloquent. I was told that the oratory of the House had not often reached a higher level than in the debate on this bill. With great skill and learning the attack of the Opposition was led against it; the English newspaper reports of the speeches seemed to me to contain every known argument against public ownership. But the word was out that the Government needed the bill to further and defend the greatness of Japan, and that the railroad companies had planned to form a trust on American lines. The Japanese knew well enough what that would mean. Whatever perils might lie in the national debt were of small moment

*These are the figures given in the Fifth Financial and Economical Annual of Japan, 1905, issued by the Department of Finance. They are, however, only approximately accurate.

compared with the evils brought upon America by the railroad companies, and when on March 16, 1906, the bill was put to a vote it carried by 243 to 109.

Some chance was left to beat it in the House of Peers. An English newspaper earnestly appealed to the corporation and financial interests to avert the threatened blow to property and capital by raising a large fund and securing by "modern methods" the defeat of the bill. If such an effort were made it seems to have been ineffectual. After a thorough debate in the Peers the bill on March 27th passed by 205 to 62.

Hence Japan is now launched irrevocably upon the public-ownership road traveled by so many European nations, and the chorus of dismal prophecy redoubles. Revenge by offended capital as pictured by the fervent Opposition may be deemed too fantastic to be likely; but there may be other troubles as obligingly foreseen by Occidental seers. These are inspired to declare that the real strain of the war debt is coming in another year when the bills will fall due and then the Government will discover its error in not heeding good advice. I could not discover that the Japanese kept awake of nights to worry over this prospect. The domestic debts of Japan amount to only $465,028,027: the foreign debts to $460,205,154, making a total, exclusive of treasury notes, of $925,233,181. Taxes are heavy, the war increased the cost of living, wages (as invariably happens) have not kept pace with that advance, the recent prices of Japanese securities have been alarmingly low, all things seem shaped for trouble. But the men that conduct Japanese affairs are exceedingly clever and able; very reasonably we may believe they have in store a surprise for the financial world as great as that whereby they overwhelmed the military

experts. No Occidental can pretend to fathom the Japanese mind, nor to gauge its possibilities.

On the human side of these matters it is not to be denied that great numbers of Japanese people live in poverty and privation, that beggars are not unknown, that the plague is bad in Kobe, that the great cities are overcrowded and often they are unsanitary. Yet with Japanese tenacity the Government grips all these problems for their solution, and evidence abounds that conditions improve; day by day and visibly, they improve. For the Government forces sanitary systems, the epidemics decline, the public health is better, the beggars grow fewer, and notably from year to year the state of the man at the bottom of the pile is ameliorated.

Of their strange experiments the Japanese may make absolute disaster. When the strain begins of their war expenditures their whole house may fall upon their heads. But at least nothing so far in their career indicates such a result as probable.

"We never turn back," say the little brown men.

One thing we should not overlook. With only a measure of democracy, with only a modicum of education, Japan has done things at which we are compelled to marvel. She is now to have universal education; before long she is to have advanced democracy.

What then?

For as caste waxes with us it wanes in Japan. As the democratic ideals fade with us they become stronger in Japan. The measure of any nation's strength is the measure of its democracy. The rise of Japan has kept exact pace with the rise of her plain people that work with their hands and have no rank and no station, the

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A STREET IN JAPAN

VIEW OF PERTH, WESTERN AUSTRALIA

people that in all lands and all times are the sole source of power and progress.

Observe then the significance of this table:

THE RISE IN WAGES IN JAPAN—AVERAGE DAILY WAGE TABLE
(In American Money)

	1887	1897	1903
Blacksmith	$.10*	$.19	$.26
Plasterer	.11	.21	.30
Carpenter	.11	.21	.29
Day Laborer	.08	.14	.20
Weaver	.06	.11	.16
Farm Laborer (Male)	.06	.14	.15
Farm Laborer (Female)	.03	.07	.09
Typesetter	.11	.14	.20
Tailor	.09	.15	.23
Cabinetmaker	.10	.19	.26
Paper-Hanger	.10	.19	.28
Stonecutter	.12	.23	.34
Mat Worker	.10	.19	.25
Potter	.09	.15	.20
Shipbuilder	.11	.22	.30
Tile Roofer	.12	.23	.32
Sawyer	.10	.21	.28
Dyer	.08	.14	.16
Tobacco Worker	.08	.17	.26
Shingle Roofer	.10	.21	.28
Screen and Door Maker	.10	.18	.27
Oil Presser	.09	.16	.20
Confectioner	.06	.13	.17
Silk Spinner (Female)	.05	.09	.09
Shoemaker	....	.19	.26
Harnessmaker	....	.19	.30
Coatmaker	....	.17	.24

*Minute fractions are omitted in this table.

CHAPTER XXIV

AUSTRALIA—AND NOW THE MAN THAT LABORS WITH HIS HANDS TAKES HOLD

"WHAT," I asked casually of a new acquaintance in Sydney, "seems to you the best of all the extant writings on political and social economy?"

"Why, the Sermon on the Mount," he answered promptly. He said "Why," as if he were astonished that anyone should ask such a question, and the rest of the sentence he spoke as if he were stating a self-evident truth, obvious to all men.

This was my introduction to the terrible Labor Party of Australia. I was talking with George Ryland, Labor member of the Queensland Parliament, and formerly a plowman on a sugar plantation. He educated himself, and should be proud of the job, though he is not, for he has digested every standard work on economics and social philosophy, and has stored his mind with such a mass of historical data, names, facts, incidents, conclusions, and records as puts to shame the best achievements of the average university man. Of these things study and reading have given him a mastery; for years and years he had plowed by day and studied and pondered by night, assimilating the significance of man's slow exit from the jungle and gathering the best thoughts of the best minds. Gradually I drew from him an account, most interesting, of the evolution of his own faith through many by-ways among the learned writers up to the Sermon on the Mount

as the ultimate rock of doctrine and practice for all men and all nations. Nothing more was needed, he said, for any guidance anywhere. In manner, strange to say, this seemed the least demonstrative of beings, the least assertive, the furthest removed from the arrogance and vanity that the wise world has decided must belong to the labor agitator; for this man was always low-voiced and gentle-mannered; in all his comments most fair, most moderate, and tolerant; at all times with a certain obvious and unmistakable sincerity that perhaps for its novelty exercised a potent charm. At first I supposed him to be a single specimen and doubtless unique. Later, to my boundless astonishment, I perceived that he was but a type of what is, on the whole, the most interesting class of men I have ever met—the Labor leaders of Australia.

All the way from London to Marseilles, from Marseilles to Bombay, from Calcutta to Colombo, from Colombo to Adelaide, I had been warned against these dreadful men. No sooner was it known in any English-born company that I was going to Australia than up rose the dispraising chorus. These were the men, I was told, these frightful Labor creatures, that had absolutely ruined Australia. Gloomy pictures were hourly drawn for me of the devastation they had wrought; history had scarcely a parallel to this record of a wrecked nation. About other matters my English fellow passengers might differ radically; on this the hammer and anvil rang true and incessant harmony. Australia was going to the dogs because of the Labor Party, that party had passed a succession of preposterous, unjust, and harmful laws, capital was taking flight in alarm, immigration had ceased, people were swarming away. I have never heard a more depressing story. One man assured me that in five years the popula-

tion of New South Wales had declined by 200,000. He uttered this fantastic invention exactly as if he believed it himself and expected me to believe it, and when he saw I had doubts, said he had read it in a London newspaper and everyone knew it was true. Everybody was leaving Australia that could get away, he said; nobody lived there except on compulsion. Why? Well, now, he would leave it to me as a fair-minded man. How should I like to be governed by a gang of low, common people, carpenters, bricklayers, stone-masons, and he knew not what, a dreadful lot? Of course no respectable persons would wish to live in such a country. I could see that very plainly for myself.

This man was English; generally speaking, the other wielders of the joyous hammer were typical English people of what are called the better classes. What they said of Australia was the universal sentiment of their kind; I knew that very well. I think that in five years I have not heard an Englishman mention Australia without condemning it, and I cannot now recall in an English newspaper an editorial reference to Australia that was not at least sneering or disparaging. Here in America we are apt to think the average Englishman over-liberal of acrid criticism of us and our affairs; I assure you the worst he says of America sounds like praise compared to his comments on Australia.

Sometimes on these steamers the speakers were returning and wealthy Australians, and I was amazed to note how often and with what strange zest they joined in the attacks on their country. I have never met men that seemed to have so little pride in the place of their birth. To them England was "home" and Australia seemed to be a place of bitter exile. They said that the country might

perhaps have amounted to something if it had not been ruined by the Labor Party. But really it is not fit to live in. Resources? Yes, sir, there are resources; but what good are resources in a place overrun and ruled by these low Labor fellows? The Labor Party has driven away capital, paralyzed industry, destroyed incentive, and so on down the dark catalogue of hideous crime.

Seven years ago Australia adopted a Federal Constitution by which the jarring fragments of states were drawn together in one splendid Commonwealth and launched upon the road to nationality. How does the new constitution work? I inquired mildly.

The new constitution does not work at all, said the chorus. Everybody is sick of it. If they could, the Australians would abolish Federation and return to the old system of separate colonies; that is, the better classes would. I should find in Sydney a powerful and growing movement for secession; even Premier Carruthers is in favor of it. Oh, yes; the Australian constitution is modeled upon the American, with some supposed improvements, introduced by these Labor fellows, but it does not work well. So far, the only result has been to give the country over to the control of low persons that know nothing about government, and whose only purpose is to further their own interests, though everybody else become bankrupt. In the direction of affairs the better classes have no voice. The Labor element has excluded all immigration in order to raise the market price of its own members' services; it has created a new crime, the crime of employing any but union men; it has wantonly attacked every enterprise of capital, it is tyrannical, revolutionary, and destructive; and unless the better classes can succeed

in throwing off the abominable yoke the country is practically doomed.

Why do I take time and space to go into all these assertions? Nothing can seem further from the legitimate purpose of our inquiry than to become involved in the partisan politics of alien lands. The Labor Party of Australia, you say, can be nothing to you and nothing to me.

Yes, it is very much to all of us. It is fighting out the battle that we shall have to fight. It has confronted the situation that is growing upon us. It has found the consequences of attacking old-rooted evil, and from its experiences we can learn the kind of a contest we have before us if we are to retain democratic institutions in America.

By this time it must be clear that all about the world is essentially one struggle between those that uphold and draw profit from and fatten upon the existing conditions of grab and gain, and those that protest against or attack present conditions as immoral, injurious, unnecessary, and perilous to progress.

In Australia what is called the Labor Party is the advance wing of the army that is trying to better conditions.

I came to this conclusion from unavoidable evidence and in despite of every adverse preconception. The very name seemed to suggest strikes, lockouts, and trouble. All I heard outside of Australia seemed to confirm every hostile prejudice. And yet no fair-minded visitor, impartially weighing causes, can avoid the belief that in Australia the future of democracy and of the cause of Need against Greed lies in the hands of the party whose basic faith begins with the Sermon on the Mount.

And the means by which nearly all the English-speaking

world has been led to believe that the Labor Party has ruined Australia? That is where American interest should be the keenest. For this is the chief weapon in the armory of reaction, here no less than in Australia.

It is the Useful Art of Distorting the Issue.

For there is no ruin in Australia, not a vestige of it; there is no depression, no bankruptcy, no retrogression, no lack of progress. On the contrary, this magnificent country has never been so prosperous, its promise has never been so bright. The Labor Party has not excluded all immigration nor any desirable part thereof; it has not passed any radical, dangerous, or novel laws; it has not sought to gain for its own members an exclusive labor market; it has enacted nothing and sought for nothing that has not been made law in the United States or in New Zealand, or in both; it has not wrought evil; it has consistently sought the Common Good.

Finally, strange as it may seem, however much the Labor Party may influence legislation it is not in control of any branch of the Australian national government. In the lower house of Parliament it has twenty-five of the seventy-five members; in the Senate (or upper house) it has fourteen of the thirty-six members. And that is all.

The instructive truth is that contrary ideas have been produced in England and elsewhere by the elements that draw profits from prevailing conditions, and these have worked for their own ends upon a feeling prevalent among the well-to-do and "better classes" in every English community, the strangely surviving root of feudalism, the feeling that for men that labor with their hands to have actual share in government is abnormal and revolutionary and can end only in disaster.

This is not agreeable to write; very likely it is not

palatable to read. But it is the plain truth—wholesome for us to contemplate. In our own country we have seen much of similar operations and shall doubtless see more. We ought to recognize the fact that the methods by which false notions of Australia's ruin have been created in England are exactly the methods by which in our country every man that attacks the prevailing order is covertly assailed and misrepresented and lied about; the methods of the Standard Oil Company's secret press bureau, of the railroads' news agencies, and of the hired newspapers; the methods by which the anti-corporation contest is habitually discolored and distorted to the public eye.

The real crime of the Labor Party in Australia is that it has persistently agitated against certain evils created by certain Vested Interests. It has paid the penalty provided for every party and every man everywhere that attacks that sacred citadel.

Most of the troubles that now plague Australia come from its land system.

In other words, what the railroads and the trusts are to America, the great landed interests are to Australia. They are the foes of democracy, the bulwarks of absolutism and corruption, the rallying points for all the reactionary, subversive, and arbitrary influences in the community. Indeed, here is the parallel so closely drawn that practically the same problem confronts both countries. In both it is the supremacy of democracy or the supremacy of Vested Interests.

In Australia the contest is acute, as you shall see.

In the beginning Australia was a mining camp. Nothing but the huge attraction of the Ballarat gold fields could draw men over those leagues of lonely sea, battered about in the dreary voyages of ancient sailing vessels.

No one then thought much about the future of the country; the one purpose was to grub much gold quickly and to get away. But in all such cases are many men that grub but do not get away. Gradually a resident population grew up; these required produce; the land began to be occupied and tilled, discerning persons perceived its great fertility and possibilities and snapped up areas out of which they formed great landed estates in the manner of old England. It was crown land in the disposal of the government authorities, and ways were found to make the disposal easy to favored persons of the better classes. Some of these gathered land as if it were windfall apples. Vast tracts were taken sometimes for a song, sometimes for goodfellowship. Eminent or titled gentlemen went about the country locating estates. Sometimes these were of sizes exceedingly agreeable to the possessors. An area of a hundred square miles was not thought much for a deserving person or a good fellow to gouge out. Often it was more.

Other kinds of wealth than gold were discovered in Australia—great deposits of coal, iron, tin, copper; enormous forests of excellent timber, some of the richest wheat fields in the world, lands that would grow anything except edelweiss or razorbacks, lands exactly adapted to raising sugar-cane, cattle, cotton, fruits of all kinds. And, above all, the bewildering possibilities of the sheep and wool industry were disclosed, better than gold mines. The climate was attractive, the people that had settled in Australia were a progressive, intelligent, warm-hearted, welcoming race; and it became apparent that here were the essential elements for the building of a very great nation.

All but one. No cheap, fertile, accessible land was

left to be offered to settlers. The good fellows of the early governments had taken care of that. They had absorbed all the land and created the most obstinate of all aristocracies and the most stubborn of all reactionary influences, great landed families.

Australia was therefore in chains. She could not attract settlers without lands and favored individuals and good fellows had grabbed the lands.

It is an old and puzzling situation. You will remember that Rome tripped over it—after the Gracchi had been sent to their deaths by the saviors of Roman society.

I will give you some idea of how grave is the matter in Australia.

In Victoria about a dozen families own one tract of two million acres, chiefly used for sheep runs and hunting grounds. For miles together are no inhabitants and no production except of primeval forest and native grass. Outside of this splendid domain settlers clamor for land; inside, the total population is insignificant and the use of the lands inconsiderable.

The last compilation of agricultural statistics by the government of Victoria makes this startling showing of conditions in that state:

Size of Holdings	Number of Holdings	Total Area	Area Under Cultivation
100,000 acres and more	8	2,448,433	8,209
50,000 " to 100,000	15	983,948	5,835
20,000 " to 50,000	121	3,549,351	13,953
10,000 " to 20,000	180	2,583,802	20,905
5,000 " to 10,000	309	2,162,458	42,808

The fact that of nearly two million and a half of acres held by eight persons only 8,000 acres produced anything,

amounts to a demonstration that these things cannot continue.

Yet these are typical conditions. In Queensland six families own 1,500,000 acres. One estate amounts to 250,000 acres. Ninety-two families hold 3,000,000 acres. Estates equivalent in size to a New England county were obtained in the old days, fifty years ago, for perhaps fifty cents an acre, and are now valued at $15 or $20 an acre, or even more; meantime, they lie as nature made them.

Against these conditions the Australian Labor Party has agitated unceasingly for a Henry George land tax that would break up these unused estates and open the country to settlers.

Naturally this agitation has provoked the bitterest animosity of the whole landed class, and likewise of that other class powerful in every British colony that clings to British tradition and British precedent and seeks to reproduce all the conditions of British society.

These classes control most of the opinion-making machinery in Australia as similar classes control it elsewhere.* They control or influence most of the organs of public thought, and they control or influence most public men.

Many persons had long foreseen that some day radical action would be absolutely necessary to break the monopoly of land. Their warning protests and appeals passed unheeded until (as so often happens) the wave had first spent itself backward.

Now the manner in which this wave turned strikes me as highly interesting and worth remembering. Because, if the Labor movement in Australia were all of

* Students of these matters may be interested to know that the Labor Party of Australia has been opposed by practically every daily Australian newspaper. Similarly a majority of the New Zealand press has opposed the reformers there.

the evil influence that Vested Interests declare it to be, yet the Vested Interests would have chiefly themselves to thank for its existence. As observe:

Before 1891 Australia had no Labor Party worth anyone's bothering about. Labor cut no figure in politics and promised to cut none. Australian labor leaders were like our own and discouraged political action, seemingly being of the cheerful faith that what labor wanted would be handed down from the skies, ready-made like so much pie. All laboring men were annually daffed and tooled by the same old Punch and Judy show of the regular parties. They were Liberals or Conservatives, as in America they are Republicans or Democrats, and never stopped to notice that whether Liberals or Conservatives won made not an iota of difference to any existing condition, and that while they were dutifully yelling themselves hoarse in the party ranks all social ills grew steadily worse. But in 1891 came the great strike at Broken Hill, and before that history-making event the precedents went scattering.

Broken Hill is the silver-mining region in New South Wales. Ore is abundant there, but has so much lead that properly it is a galena containing silver. Now, because of this lead predominance miners working in the Broken Hill drifts became "leaded." That is to say, they were afflicted with the most terrible forms of lead poisoning. Lead got into their systems and often crippled them for life. Paralysis or other dreadful maladies assailed them, or they became emaciated, hollow-eyed, touched with a horrible pallor, devitalized, unable to lift their hands above their hips, and so, maimed and twisted out of humanity's shape, crawled on to die.

Living is expensive in every mining country. In

Broken Hill the wages of the miners were $2.50 a day—with privilege of being leaded. On these wages it was impossible for the most thrifty to support their families and lay by any store against the inevitable dark day of lead poisoning. So the boys and girls went to work when they should have been at school, or were driven from home to earn what they could in the cities and elsewhere. I suppose you know what that means in our beautiful system of civilization.

Meantime the companies that owned the mines were doing right well, thank you. One of them was clearing $500,000 a month. I know that sounds like an exaggeration, but it is a recorded fact. In one year it made a profit of $6,000,000—one of the companies. No "leading" went with these dividends.

The men, privileged to work for $2.50 a day and paralysis, tried in various ways to better their condition. One of the ways was to form a union. You have heard much from eminent sources about the evils of labor organizations. I invite your attention to the record of this one. An agreement was made with the companies for two years of work at $2.50 a day and paralysis, all disputes to be referred to arbitration, the men not to strike and the companies not to enforce a lockout. This agreement had been in force not long when the companies notified the men of a new basis of pay for mining "stope" (the space between the levels of a mine) that would amount to a reduction of wages. The miners objected and asked for arbitration. The companies refused to arbitrate and gave notice that thirty days from date the agreement would be terminated and the companies would make with the miners such terms as they saw fit.

Whereupon the miners struck.

Vested Interests, represented by the mine managers, responded in a manner rather unusual even in Australia, where, I am told, it was once customary in case of a strike to "call out the militia and have them shoot the legs off the strikers."* The mine owners had six of the strike leaders arrested. What for? Why, for conspiring to prevent men from following their usual vocations. And how? By establishing a picket-line first, and then by issuing coupons that enabled the strikers to get food at certain grocery stores.

The strike leaders were not disturbed at this. They did not see how issuing food orders to the needy constituted conspiracy. Moreover, the sentiment of all the region about was with the strikers (paralysis not being held there to be adequate compensation for a miner's labors), and the leaders received boundless encouragement from local sources. But Vested Interests, recognizing this untoward condition in Broken Hill, went quietly to work, secured a change of venue, and seizing the accused men by night, whisked them to a backwoods corner of the colony where a jury could be depended upon to be safe, sane, and conservative. There five of the six leaders were promptly convicted and sent to prison.

But one factor in the case Vested Interests had overlooked. The strike leaders were safely in jail, but public opinion was still at large, and public opinion was now aroused in a way new to the colony. Men that had no kind of sympathy with strikes or strikers bitterly resented the treatment these leaders had received, as bitterly as if the wrong had been done to themselves; for here was one of the aggressive and overt acts of tyranny that in other

*A certain Australian colonel of militia won wide fame if not glory by the command he gave on one of these pleasant occasions, and "Lay 'em out, boys! Shoot at their legs!" passed into the Australian vernacular.

ages have piled the barricades in the streets and lined the sidewalks with the dead. Some way was needed to express the indignation of the outraged community. There came on soon a general election. Some one suggested that the condemned men of Broken Hill should be nominated for parliament. The idea took root; it seemed to offer an opportunity for the smoldering protest; in the end not only these men but many others representing their cause were placed in nomination, workers suddenly began to suspect that they might as well vote sometimes for themselves as for their employers, and when the elections were over it was found that thirty-five labor men had been chosen to the New South Wales parliament. And that was the beginning of the Labor Party in Australia.

Being thus by circumstances and fate projected as a living force into the political field, the new party began to agitate for the reforms that did not now seem so hopeless as in the old days they had seemed. It stood for advanced democracy, for the discouraging of special privilege, for opposition to all kinds of monopoly, for laws that would give workmen a chance for their lives in lead mines and elsewhere. And above everything else, it took up the fight against the crushing land monopoly, it stood for a tax system that would check the ravenous land hunger of rich men and for the public resumption of the public domain.

On these lines it gathered strength year after year, it exercised great influence in the framing of the new constitution, it secured for that instrument many democratic features. And it was rewarded with the fierce and undying hatred of the entire landed, society, capitalist, and reactionary classes.

Australia, under its constitution, is governed by a

responsible ministry beneath the shadowy figure of a governor-general representing the forgotten crown and the filmy figment of British supervision. At the head of the real government is the premier, who is the leader of the party that secures a working majority in parliament. Six states, New South Wales, Victoria, Queensland, South Australia, Western Australia, and Tasmania constitute the Commonwealth. In the lower house representation is on a basis of population; in the Senate, or upper house, each state has six members. Lower-house members are elected for three years, senators for six years; but senators' terms are so arranged that half the Senate must be elected every three years. Taught by our misfortunes the framers of the Australian constitution ordained the choice of their senators by popular vote and put it out of the power of their Supreme Court to become a third legislative body greater than the nation.

In our country we fool the people with some pretended differences between one party called the Republican and another called the Democratic. In Australia the influences and interests that fatten upon existing conditions fool the people with pretended differences between men that say they want protection and men that say they want free trade. In the midst of this excellent fooling appear the men that want only power and thus secure it. Protectionists and Free Traders (so called) were so divided in the Australian parliament that neither could gain a majority without the Labor Party. A succession of governments bowled over by labor votes drove this hard fact into the political intelligence. The Labor Party was then invited to take the government. For five months men that had been carpenters, bricklayers, and printers administered the nation's affairs. No convul-

sions of nature followed, no upheavals and no disasters. It is even admitted that the government of these men was conspicuously wise, able, and successful. But having a minority party their way was necessarily precarious, and on the chance blow of an adverse vote they resigned. Some scene shifting followed, but in the end the present arrangement was reached, by which the government is in the hands of the Protectionists that follow Mr. Deakin, and the ministry is supported by the Labor Party on condition that the Government adopt certain legislation. And that is the extent of the "absolute rule of the Labor gang." The Deakin Government does not greatly care for the Labor Party nor for the Labor Party's ideas, but it rules by reason of the Labor Party's support, and in return therefor has passed certain moderate and well-intentioned measures of reform.

Indeed, the sum total of the "revolutionary, radical, and socialistic laws" passed by the Labor Party, directly or by bargaining with the Deakin or other ministries, indicates an exceedingly gentle order of revolution. It has done much in New South Wales and elsewhere to mitigate the great estate evil by enacting graduated land taxes; it has passed humane and reasonable laws regulating employers' liability for accidents to workmen and laws greatly bettering the hard conditions of labor in mines and factories. It has passed a law to exclude trusts from Australian soil. It has stood for equal rights for men and women. In New South Wales it has enormously bettered conditions for toilers by regulating hours of employment even in department and other stores and by instituting a weekly half-holiday the year around for everybody. It has tried with a defective Arbitration and Conciliation Act to abolish strikes. To guard Australia against the

sobering terrors of the race problem that confronts America, it has succeeded in keeping out colored aliens. It has agitated for a Henry George land tax and for the national ownership of public services and obvious monopolies. And with one exception this is the full catalogue of its misdeeds.

Photograph by Cooper & Co., Melbourne

THE CITY OF MELBOURNE, AUSTRALIA

NATIVES OF SIAR

One of the South Sea Islands, in the region where the "recruiter" was formerly active

CHAPTER XXV

THE AUSTRALIAN LABOR PARTY AS A LIBERATOR

THE one exception was its greatest blunder—tactical. It abolished slavery in Queensland.

Very curious observations pertain to the Anglo-Saxon practice in nomenclature by which a thing becomes something else if called by another name. Thus there is no Chinese slavery in South Africa, we are assured, because the conditions there are called "Coolie labor." In Assam the employer holds over his employee in the tea fields every right that a resident of Alabama held over his negroes previous to 1863, but we must not call the condition slavery—it is "indentured labor." Queensland sugar planters used to hire ruffians to go in schooners among the South Sea Islands and capture the natives and bring them to the plantations to work, but the men engaged in this pleasant traffic were not slave catchers; they were "recruiters." They used to bring their captures to shore in vessels so like the old slave ships you could hardly tell the difference, but the business they were engaged in was not slave trading; it was merely "labor."

"Two Hundred Head of Labor for a Hatful of Amens"—perhaps you remember the terrible story hinted by the old Sydney scoundrel in Stevenson's "Wrecker." It was for the Queensland sugar planter that men turned labor thieves and risked their souls among the islands. With tricks and lies the natives were inveigled on board. Once there they were supposed (for the sake of formula and

nomenclature) to sign a document that bound them to labor for a term of years in the sugar fields. As none of them could read or write or understand the document they were supposed to sign, the true nature of this solemn farce may readily be gathered. One hundred dollars a head the planter was wont to pay the "recruiter" for catching Kanakas and landing them in Queensland—rather less than African slavers' rates in the good old days, but the distance was much less and the danger nothing, because for reasons of its own the British Government protected this traffic. Once in Queensland the Kanakas* labored in the cane fields for "wages." They got $30 a year each. That is, they got $30 a year if they lived. Very often they died. The death-rate among them after they reached Queensland was never less than fifty in the thousand and was sometimes as great as 168. When a Kanaka died, his kind, indulgent employer inherited all his effects—including his wage claims.

You think this was a long time ago, two or three centuries at least, and pertained to conditions now happily passed from earth. Yes? Then you should be interested to know that in its substantial features it was going on six years ago under the sanction and protection of the flag of a civilized nation.

From time to time missionaries and good-hearted people that knew the true meaning of the "labor trade" made earnest protests. They pointed out that the trade would depopulate the islands, that it would obliterate the Kanaka race. By 1884 these continual representations had so much effect that the Government undertook to regulate the traffic—not to suppress it, you understand; merely

*This word in South Sea "labor" parlance has liberal application and includes not only Kanakas and Maoris but Papuans and all other dark-skinned inhabitants of the islands.

to regulate it, as we regulate the railroad-rebate swindle, the diseased-meat trade and some other things. So they passed several flabby laws providing that the Kanaka must be sent home at the expiration of his indenture (if he could not be "induced" to reënlist), that he must not be ill-treated on the voyage, that his kind, indulgent employer must not rob his dead body, and the like. Do not think that these laws were wholly valueless. They provided much harmless amusement for gentlemen engaged on long, lonely schooner cruises among the islands, where opportunities for rational entertainment were indeed too few.

The missionaries continued to complain. They declared that the only way to regulate the traffic was to annihilate it. They went among the islands and gathered appalling evidence of the abuses, the cruelty, and the murderous results of the system. They argued and appealed. In all this they battered with bare hands upon a stone wall. Many things were attempted for relief; nothing was really done. "Indentured-labor trade" was declared to be necessary to the prosperity of the Queensland sugar planter; it enabled him to "develop the industry." We have lately seen American manufacturers assuring a committee of Congress that unless they were allowed to sell underweight or to palm off poison for food their whole vast industries would be ruined. With like solemnity the Queensland sugar interests declared that unless they were allowed to have the slave trade they could not grow sugar. And in the face of these declarations the missionaries might as well have howled in the Barcan wilderness.

Until the Australian Labor Party obtained some hold upon the government. Then they abolished the whole crimson iniquity, root, branch, and fruit.

As I said before, their tactical error was great. Involved with the Queensland sugar planter were the most powerful Vested Interests in the country, the kind of interests that with us maintain political bosses, finance political machines, buy legislatures and city councils, own reactionary newspapers, dominate news associations, and work the Punch and Judy show. The Australian reactionaries merely took pattern from the American corporations. In another age they would have seized guns and put the labor leaders to death. In this age they seized the organs of public opinion and used skilful, adroit, well-considered misrepresentation. The best way to attack the Labor Party was to arouse English criticism, antagonize English conservatism, and frighten English capital. All this was thoroughly effected. And now you have the whole story of the "ruin" brought upon Australia by the terrible Labor Party.

Some elements besides the desire for profits were in the spirit of these manœuvres. Old legislative correspondents will agree with me that hell hath no fury like a briber scorned. At the height of the controversy certain interests made a proposal to the Labor leaders that if they would consent to postpone for ten years the departure of the Kanakas, a very large sum would be added to the Labor Party's campaign fund. In America we do not regard such transactions as constituting bribery, because they are done on a wholesale plan by our best citizens, our model captains of industry, our most reputable business men. To the Labor leaders of Australia the offer had a far different aspect, and although the party was in sore need of help, and although the only funds it has ever known have been secured by passing the hat at meetings, the leaders scornfully rejected the proposal. At the same time many at-

tractive doors were opened on many fine ground floors, and many men had chances to pick up good things in the way of "legitimate investments"; but no Labor man changed for an instant his face of absolute opposition to the whole slave trade. Perhaps we at least have no call to throw stones at these men. Profitably and with humiliation we may remember how differently fared the American Sugar Trust in Cleveland's second administration when it confronted a condition similarly inimical to its swollen dividends. Profitably we may remember what fortunes owe their origin to that strenuous time, what ground-floor doors were opened, and how easily the Sugar Trust got what it wanted and had no right to have. No, we, at least, seem hardly in a position to slur the Australian Labor leaders, low, common persons though they be. And to one that succinctly remembers the recent history of South Africa, it may seem that hostile English criticism comes with still less grace.

This year will see the departure from Queensland soil of the last of the Kanaka "recruits." Will their going ruin any sugar industry, or bankrupt any planters, or precipitate any panics, or produce any other disasters? Not in the least, good friends. The sugar planter will make his profits, the marvelous country will continue to grow in prosperity and wealth, the mills will revolve, the banks will declare their dividends, the land will laugh with plenty just as before. But the prosperity will be a prosperity of small farmers, not of great estates and monstrous plantations. Slave labor requiring large capital restricted the sugar business to a few hands. Freedom throws it open to all upon equal terms. Nothing in the world is so wasteful as cheap labor; nothing builds prosperity like the advancing wage scale The govern-

ment of Queensland, now in the hands of low, common people, is helping and insuring the Common Good and general welfare by building and operating public cane-mills. These cut the heart out of the cane-grinding monopoly and assure the profits of the small grower. Days are dark ahead for the Sugar Trust and the refinery corporations; for the producers and consumers they have never been so bright.

Anyway the slave trade in Queensland is abolished, let us give thanks; and abolished it will remain. The labor recruiters and the kidnapping schooners may sneak about the islands intent upon their trade of man-stealing; they steal no men for Australia, now nor hereafter. And if I were of the nation that produced Wilberforce and Clarkson I should be humbly grateful to any party of any name whatsoever that had taken that blot from my flag.

HOME FROM THE PLANTATIONS
Group of Kanakas in New Guinea, awaiting transportation to their islands

SOUTH SEA ISLAND "LABOR"
These are the people formerly "recruited" for the Queensland sugar plantations

CHAPTER XXVI

DEMOCRACY AND TRUSTS IN AUSTRALIA

AT MELBOURNE they were investigating the Tobacco Trust. Senator G. F. Pearce, one of the low, common persons of the Labor Party, presided at the head of the Federal Commission. Other low, common senators sat with him. To an American their work had rather unusual interest because the thing they were examining is one of the boons we have conferred upon mankind. When the American Tobacco Company had beaten the American retail tobacco dealer into a proper pulp of humility and subservience it crossed to England, reorganized itself under a convenient alias, absorbed all the leading British manufacturers, and spread its genial influence through the British Isles, ruining tradesmen and crushing competition. Thence it extended its domain to outlying British possessions, and at last descended with its familiar tactics upon Australia.

Two great Australian firms, one in Sydney, the other in Melbourne, united to resist the invader, and for purposes of stronger defense they formed a stock company. There was much valiantly planned action that never came to the battlefield, for the contest was over before it was fairly begun. One day the Australians awoke to find that the Tobacco Trust had quietly secured a majority of the new company's stock. After that the Australia tobacco market was at the Trust's mercy, and the Trust merely repeated the processes that

had swelled its dividends and skinned the consumer in America.

This was the state of things the commission was investigating. Senator Pearce directed the inquiry—a quiet, grave, thoughtful man, well worth attention. He was very plainly dressed, even with some indication that he was not well-to-do, but the dignity of the man's attitude and his extraordinary manner obscured all other considerations. Reserve strength and self-mastery seemed to speak in everything he did. He was always at his full ease and yet without the least aggressiveness, exhibiting a kind of gentle firmness that I have never marked except in men that have thoroughly mastered themselves and their work. He never raised his voice, nor lost his temper, nor showed impatience, nor tried to play tricks nor to be smart; and he never varied from the straight, even line of questioning he had chosen. Representatives of the Trust, coached by the ablest lawyers in Australia, continually endeavored to hinder and delay the inquiry or to switch it from the track. With unwearied patience this man would instantly detect the device and pick the proceedings up and replace them on the rails. Once or twice somebody would think to be merry with him because he is a low, common Labor person. Upon such a one he would turn two keen, analytical eyes and a fine grave face so obviously honest that somehow the fun dropped out of the occasion and the jester seemed rather ashamed of himself. And then again this chairman evidently knew all about the subject in hand; knew, too, when witnesses were trying to be shifty and evade the truth, and the swiftness with which he tied knots about these and made them sit up and be careful was beautiful to see. But he never browbeat anybody, never spoke with harshness or

vehemence, never said anything for the grand stand, never lost his one attitude of absolute fairness in the sole interests of truth. Steadily he sent the scalpel into the mass before him; steadily he laid it bare, bit by bit, until it was all separated and assorted and lying in the sunlight, labeled and ill-smelling. Nothing turned him aside, nothing disturbed him; but he drove into the heart of the matter, and no shred of it all escaped his noting. Hardly any lawyer skilled in verbal fence and cross-examining could more ably ply the probe. Yet this man is not a lawyer. He is a carpenter.

The report of the commission was a marvel of thoroughness, clearness, and accuracy. Every phase of the subject stood out like the white houses in an Italian landscape.

Yet the man that commanded this work is only one in the class of men that is drawing Australia forward. The other Labor leaders are of his order, self-made students, thinkers, grave, reserved, and ready. To talk, for instance, with John Christian Watson, Premier in the Labor administration and now Labor leader in Parliament, will destroy your every preconception of the Labor advocate. He has that low-pitched voice and unobtrusive manner that I noticed in Ryland and Pearce; and he, too, seems to try to secure emphasis only by understatement. I think I have never met a man of sincerity more patent nor of a mental habit more thoughtful, and I am certain I have never met one of equal ability and equal readiness to efface himself. In all he says he is evidently trying to be fair and decent and tolerant to all men. No, you can never reconcile him with the wild-eyed demagogue of tradition. He is a typesetter. Once (for a day) he worked as a hostler in a stable fronting the Commonwealth building, in which he now has his office.

These are remarkable men. In Sydney, another of them, Mr. Thomas, of Adelaide, was presiding over a commission that is making inquiry into the shipping and steamship monopoly. He has the same traits; in the same comprehensive and effective manner he was trying out the secrets of the shipping trade. He is a miner, he worked in the Broken Hill mines, he was "leaded" there, and he was president of the Miners' Union in the great strike.

In South Australia one of the Labor leaders, Thomas Price, is Premier of the State Government. He was formerly a stone-mason and worked by the day on the Parliament House, in which he now sits, chief ruler of the state. He is of this same class, the same order of the economic student; he is a graduate of the same school, in which the lessons are learned at night when the day's work is over. He has this characteristic reserve, like the rest of the leaders, but I judge that at times he is capable of losing it. Ten years ago, when he was only a member of the South Australian Parliament, he told in a campaign speech certain things about this same Shipping Trust that threatens to grip by the throat the ocean commerce of Australia. All that he said has since been demonstrated before the Federal Commission to be true, but at that time the Trust had not been attacked in any serious way and it was arrogant. By an arrangement not at all unknown in our own country the Trust put up a dummy to sue Mr. Price for libel. The libel laws of Australia are a relic of sheer savagery. The Trust got a verdict of $500. Mr. Price owned his cottage, the result of years of toiling at his trade, and beyond that he had not a dollar. So the great Shipping Trust, which annually gouged millions from the people of Australia, purposed to seize the $900 cottage to punish him for telling the truth.

Photograph by The Swiss Studios

SENATOR G. F. PEARCE
One of the leaders of the Australian Labor Party

ADELAIDE—SOUTH AUSTRALIAN PARLIAMENT HOUSE
Upon this building, Mr. Price, now Premier of South Australia, worked as a stone-mason

Just at that time the Labor Party of South Australia was urging a bill to abolish the pest of bookmakers and to check the race-track evil, and Price was in the thick of the fight. One day a delegated bookmaker went up to the little house the Shipping Trust threatened to grab, and made its owner an offer. It might easily bear some other name than bribe; it was merely an offer of a good thing, a "chance for legitimate investment," a fine business opportunity. It had a nice ground floor and the door would be found open and perfectly safe; it was better than plum-trees and blind pools. Mr. Price declined the alluring proposal. Perhaps he declined it with unnecessary emphasis. Anyway, the gentleman that told me the story said he happened to be passing Mr. Price's home at the time, and, his attention being attracted by violent outcries, he looked up and saw the form of the bookmaker fleeing through the door and Mr. Price running after him. Beyond the threshold Price caught him and kicked him like a bundle of rags off the front steps and into the gutter. That closed the incident. It seemed to indicate that my friend on the steamer spoke with a measure of truth. There are times when it must be very painful to be governed by a stone-mason, especially if he has large, heavy feet.

Mr. Price mortgaged the cottage and delivered to the Trust its pound of flesh.

It is odd, but these men seem to have no bitterness in return for all the bitterness heaped upon them. As a rule they do not abuse their opponents, nor call them names, nor show any particular resentment, nor deal in personalities. They say they do not look upon their fight as against individuals, but only against conditions; and as they feel absolute confidence in the eventual triumph

of their ideas they are not greatly concerned about persons. I have been much, very much, among politicians and the leaders of political parties, and this was the first time I had met men of that calling that based their political creed upon the Sermon on the Mount and seemed to like to talk about the political lessons of the life of Christ. Some of them have a little money, saved from the days when they worked at trades, but even these deny themselves every luxury and live the life of the working man. Some wild Tolstoyan idea, I know not what, possesses them that to live more comfortably than the poorest of those about them is not in accordance with the spirit of the Sermon on the Mount. Strange men they are, I know, but not without their merits. When George Ryland was elected to Parliament he dropped all other occupation and now lives on the exceedingly thin substance of his parliamentary salary. His sole business is to be a legislator and he attends to it with incredible industry. Senator Pearce takes long, lonely rides on his bicycle, hundreds of miles into the bush, to study the country and what it needs and what it can do. One of these bicycle excursions was through the two-million-acre tract that is owned by fewer than one dozen persons. When he came back he knew the Australian land question from end to end. How low these men may be I have no means of knowing, but they hardly seem what you would call common. I wish they were commoner. I know where about a million of them, with their Sermon-on-the-Mount platform, could be used advantageously.

What are these men trying to do in this splendid new commonwealth? What practical things do they battle for?

First, they stand for more democracy and a more direct operation of the will of the people.

You would find it hard to apprehend now that only a few years ago Australia was not a democracy at all but an oligarchy of landowners. As a rule the franchise was arranged so as to secure the government from any intrusion from the detestable lower classes. It had a property qualification, and, copying one of the worst features of the English system, a man could vote in every precinct in which he held property. This gave to some men two, three, four votes and sometimes even more. As the men that worked with their hands owned little or no property the oligarchy felt quite safe; but as a further bulwark of society and the better elements, it was enacted in some colonies that only those men could vote whose names the justices of the peace chose to place upon the polling lists. As the justices were to admit only the names of men known to them, it will be seen that here was an arrangement of great beauty. The justice could always refuse to "know" any person that he deemed to be dangerous to society, and in consequence such a person would be disfranchised.

The Labor Party undertook in the interests of democracy to change all these conditions.

A Queensland man told me that he doubted if in his part of the country they could have achieved much if it had not been for the women. Every avenue of employment was absolutely in the hands of the entrenched governing classes, and every man that agitated for election reform was not only discharged but blacklisted and boycotted. He found it impossible then to obtain employment anywhere; no man dared to hire him.

George Ryland was blacklisted for five years. They

would not let him plow nor chop wood nor drive horses. Andrew Fisher, a locomotive and mining engineer and afterwards in the Labor administration the best Minister of Customs that Australia ever had, went up and down the colony looking in vain for employment. He had made a study of mines: no man knew them better; but no employer would have him on any terms. Finally a mine owner who was an old friend and to whom he had made rather a pleading application said to him:

"Fisher, I should like to have you here, for I know your ability; but it is impossible. You know what would happen to me if I employed you. In six months we should both be looking for jobs."

Against a power so great and so arbitrary the fight seemed hopeless. Often the men were discouraged, but the women, never; they had more pluck than the men. The savage injustice had stirred their utmost resentment; one and all they urged their husbands to keep on and never to yield. In many cases the wife assumed the burden of supporting the family. Some of the women turned dressmakers and some cooks. One family that I know lived four years on a weekly income of between $3 and $4 earned with her needle by the wife and mother. The husband tramped Queensland looking in vain for work. With such a spirit among the women the situation could not long continue. A body of voters grew up not of the Labor element but painfully convinced that existing conditions were wrong. These united with the few Labor men that had the franchise, the better element was outvoted and overturned, the suffrage was reformed, the Labor Party swept into possession of the Queensland state government, and holds that government to-day.

Curiously enough the better element had made a sad botch of the state finances, so that with an annual revenue approximating $17,000,000 Queensland showed an annual deficit of about $1,000,000. The low, common Labor people stopped that. The first full year of their control showed a surplus of $59,000; the first seven months of the fiscal year 1906 indicated a surplus of about $150,000.

Meantime, federation had been achieved, the days of the oligarchy were over, the Labor element had fought for and secured in the new nation universal and unlimited adult suffrage for men and women alike, the old drooling superstition about the inferiority of women got a staggering blow, democracy won such a historic triumph as still echoes around the world. Under the inspiration of that great victory the states are bringing the state franchise to the level of the national, and there will never be another man blacklisted in Australia for agitating for democracy.

Second, the Labor Party is opposed to continuing the upper house in the state legislatures. In several instances, as an odd survival of feudal conditions, the upper house is still appointive, and often it has blocked reform and interfered with progress. In the interests of democracy Labor is agitating against this species of reactionary influence.

Third, the Labor Party has a cure for Trusts.

Once Australians flattered themselves that they were immune from trust evils and looked with half-amused disdain upon conditions in the United States as upon troubles they had been wise enough to escape. They were fond of quoting Max O'Rell's remark about the Americans that had thrown off the yoke of one king to accept the yokes of sixty, and with pleasing self-complacency they would copy into their newspapers

descriptions of the "System," or of an American Trust, and remark how fast such things would fade away in the purer air of Australia.

In the last few years these agreeable hallucinations have much changed. It has become apparent that not even Australia is exempt from the world struggle. Because its railroads are owned by the states and rebates and discriminations therefore are impossible, the country is secure against any such giant monopolies as the Standard Oil Company or the Beef Trust; but against combinations that work through the transportation over which the state has no control it has no such protection, as it has lately found.

I wish to tell of two phases of this development because they illustrate the general truth that transportation is the key of the trust evil, and because they show the result upon the public of the concentration of capital.

Australia had seven years of drought. I suppose hardly another country in the world could survive such an affliction; even the unequaled resources of this marvelous continent were put to the severest test. Thirty million sheep died, and the other losses wrought in the seven years were appalling. Toward the end of the calamity some relief was discovered in the possibilities of the butter trade of Victoria. It was found that butter could be transported in refrigerator ships from Melbourne to London and be sold at a profit; and as the Victoria butter is of a superior quality, a great paying industry was soon inaugurated. A combination or trust was formed to control the butter business, the first object being to crowd out all other purchasers and then to reduce the price paid to the farmers and dairymen so as to enhance in a pleasant way the dividends of the Trust. Two lines of steamers, powerful

and well-managed corporations, have practical control of the carrying trade to England. The butter combination approached the steamship companies with a proposal that the combination's butter should be carried at lower rates than any other butter. The companies declined the offer. But the combination had learned how such things are done in America and promptly pulled the next string in its bow. It showed to the companies completed plans for a new steamship line with which it purposed to compete with the older lines and cut freight rates to bits. Then the companies lost no time in climbing down. By means of the American rebate system they granted the reduction demanded, and the butter combination, thus being able to undersell its competitors in the English market, soon had the trade corralled. You see it had neatly duplicated the situation created in America by the pirates of the Beef Trust.

When the farmers found that there was now but one purchaser in the field and that one able to reduce prices to any level it chose, they looked about for some weapon of defense and hit upon Coöperation, the beneficent discovery of the Rochdale weavers, which has carried its blessings over all the world. They formed a Coöperative Society to buy and handle their butter.

To the combination, armed with the tremendous artillery of rebates, a Coöperative Society was a mere jest. Coöperation could not stand for a moment against a power that could control and bedevil freight rates. The Society failed.

At this stage the Labor Party took up the fight and the state Government of Victoria appointed a commission to investigate the combination and all its acts. The commission ordered the two steamship companies involved

in the affair to produce their books. By night the companies threw all their books aboard a vessel and hurried them to Sydney, out of the jurisdiction of a Victorian commission.

But by this time the country was becoming aroused. The public sentiment that had elected the convicted miners to Parliament declared that the butter combination had gone far enough. The federal Government appointed a commission of its own whose subpœna would be good in every part of Australia, the steamship books were seized in Sydney, and the whole conspiracy was made known. The companies, in terror for their fat mail contracts, abolished the rebates; under the protection of publicity Coöperation was revived among the dairymen, and the butter combination faded from these scenes.

Australia had had a sobering glimpse of the true meaning of a trust. But another lesson was in store for it.

So far this country is peculiarly dependent upon sea communication because as yet only the coast fringe of it has been developed and because its foreign trade is the breath of its being.

The steamship companies formed a combination to control all coastwise shipments anywhere in Australia. First they put up rates ten per cent. Then they copied the prize performance of the American Sugar Trust and made an arrangement with shippers by which if the shippers gave all their business to the combination they were to have at the end of the year a rebate of ten per cent. on their freight bills. The rest of the commercial world and all occasional shippers had to pay the full rates.

Now the combination included all the regular lines around the continent. But, of course, tramp steamers and sailing vessels and the like occasional visitors were not

included. Very few vessels arriving from abroad make only one Australian port; usually they visit three or four, and, passing from port to port, the tramps and sailing vessels frequently take Australian coastwise freight at low rates.

The combination found ways to discover shipments on such vessels and to follow them from hand to hand until the consumers were reached. One of the firms on its list for the annual rebate was a large house in Sydney. If I should mention its name it would look upon itself as ruined, so great is the fear of the combination. This house in the course of its usual transactions purchased early in the year from an importer a bill of goods that had been carried from Melbourne to Sydney in a tramp. The firm, you will understand, did not control this shipment and had nothing to do with it, nor knowledge of it, but merely purchased these goods in the market as it purchased others. At the end of the year it applied to the steamship combination for its accumulated rebates, amounting to three thousand and odd dollars.

The combination coldly negatived the proposition.

The firm remonstrated and brought out the contract.

"You bought goods shipped on an opposition boat," said the combination. "You get no rebates here."

Evidence brought before the commission showed that this practice had been applied as far as five and six removes from the original importer.

Now for the plague of the Tobacco Trust and the plague of the Shipping Trust the Labor Party proposes one remedy. It proposes that the government shall buy out and operate the entire tobacco business, becoming the sole manufacturer of and dealer in tobacco, and that the gov-

ernment shall build and operate steamships. Under the Australian constitution, planned to obviate the troubles that beset us, both plans are perfectly feasible. If the government should elect to take over the tobacco business, the way would be simple. One valuer would be chosen to represent the government, one to represent the owners, and a supreme court judge would be a third. Two of the three would agree upon a price to be paid, and that price the owners would have to accept. A bill providing for the national purchase in this way of the tobacco business will be introduced at an early session of Parliament. It seems likely to pass.

Fourth, the Labor Party strives to extend and amplify the principle of public ownership of public utilities.

CHAPTER XXVII

PRACTICAL OPERATION OF SOME OF THE LABOR PARTY'S IDEAS

IN AUSTRALIA, as everywhere else except in America, public ownership has already gone far to curb the extortions of private capital, and in many ways is likely to go further. In all the Australian states the Labor Party has stood steadfastly for every extension of the public-ownership principle. In national affairs it aims to secure the public ownership of every private monopoly of whatsoever kind. It has passed a law authorizing the federal government to exclude from Australia all commodities made by a Trust, but its real remedy for the trust problem is exactly the cure applied in such startling fashion by the Japanese. That is to say, it purposes that the government shall operate the Trust for the Common Good instead of for private gain.

Warfare against monopoly is easier in Australia than in some other countries for the reason that in Australia the close relation between monopoly and transportation is generally understood and is not an issue. Some few and for the most part small railroad projects, including mining and timber lines, are still in private hands. All the other railroads are publicly owned and publicly operated.

So far the ownership is vested in the several states, each having its own system. In the good old conservative days before the Labor demon raised its head, there was

much childish jealousy among the different governments. In the conservative view the destiny of Australia was not to be a nation but a handful of nice little colonies vying with one another in expressing loyalty to the monarchical idea and the established order. When these came to build railroads each colony established its own gauge and stuck thereto. A more preposterous notion never bewitched the human mind, but the truth is that a gauge of 4 feet 8½ inches in New South Wales actually seemed a reason (to the conservative intellect) for a gauge of 5 feet 3 inches in Victoria and a gauge of 3 feet 6 inches in Western Australia. The annoyance, delay, and expense resulting to through traffic make the thing seem like a section of Bedlam. Between Melbourne and Sydney, for instance, a line with an immense business and with otherwise excellent accommodations, you must change cars on the frontier and all the freight must be transferred.

Eventually the federal Government is to take over and unify the systems of the different states. Considering the multiplicities of systems and gauges the task that will then confront the federal Government will not be for a holiday. Yet government ownership of Australian railroads, even with these drawbacks, has done well for state and people, undeniably well. Some difference of opinion exists as to the best policy for railroad operation. According to the Labor Party's doctrine all the profits, beyond a small percentage on the investment and the usual sinking fund and depreciation charges, should be returned to the public in the shape of reduced rates. According to other persons, not in the Labor Party but indorsing public ownership, the profits should be paid into the treasury. This dif-

ference should be born in mind in estimating the net results.

From the records of government railroad operation in Australia in recent years, I quote the principal figures:

NEW SOUTH WALES

	1905	1904
Investment	$215,310,750	$211,440,585
Total cost a mile	65,610	64,450
Miles open for traffic	3,280	3,280
Earnings	18,410,080	17,182,065
Working expenses	10,950,735	11,294,700
Profits	7,459,345	5,887,365
Percentage working expenses to revenue	59.50	65.74

VICTORIA

	1905	1904
Investment	$206,395,220	$206,083,315
Total cost a mile	60,810	$60,955
Miles open for traffic	3,393	3,380
Earnings	17,911,325	17,195,705
Working expenses	9,355,685	9,609,335
Profits	8,555,640	7,586,370
Percentage working expenses to revenue	52.23	55.90

SOUTH AUSTRALIA

	1905	1904
Investment	$67,939,030	$67,588,635
Total cost a mile	38,923	38,900
Miles open for traffic	1,745	1,736
Earnings	6,366,605	5,803,195
Working expenses	3,683,955	3,376,975
Profits	2,682,650	2,426,220
Percentage working expenses to revenue	57.86	58.26

QUEENSLAND

	1905	1904
Investment	$108,054,900	$104,437,925
Total cost a mile	34,946	34,309
Miles open for traffic	3,092	3,044
Earnings	7,067,195	7,527,760
Working expenses	4,073,720	4,059,755
Profits	2,993,475	2,468,005
Percentage working expenses to revenue	57.64	62.19

TASMANIA

	1903	1904
Investment	$19,602,540	$19,418,645
Total cost a mile	42,290	34,309
Miles open for traffic	463	462
Earnings	1,217,730	1,038,415
Working expenses	859,065	831,775
Profits	358,605	206,640
Percentage working expenses to revenue	70.54	80.10

COMMONWEALTH

Investment	$672,240,025
Earnings	59,110,780
Working expenses	37,033,315
Profits	22,077,476
Percentage working expenses to revenue	62.6

COMPARATIVE STATEMENT OF AUSTRALIAN RAILROAD PROFITS

	1861	1871	1881	1891	1901	1905
New South Wales	$69,085	$701,285	$3,529,460	$5,965,220	$7,006,585	$7,459,345
Victoria	.....	1,789,100	3,661,715	4,784,915	6,008,625	8,555,640
Queensland	.....	108,300	573,190	2,065,170	1,947,140	2,993,475
South Australia	55,030	114,170	643,265	2,819,525	1,867,655	2,682,650
Western Australia	.....	.....	*—14,535	19,380	1,325,295	1,770,630
Tasmania	.....	2,955	33,605	105,530	161,955	358,605

President Roosevelt could never persuade the people of Western Australia that the government ownership of railroads is "the greatest misfortune that can befall a nation," because they have had practical experience with a misfortune much greater. Once their railroads were owned by private companies. There is no consideration that could induce them to return to that kind of ownership. A chapter from the history of their experiences will show why.

Before 1899 the Great Southern Railroad from Beverly to Albany, 243 miles, was private property, and even for a railroad operated solely for dividends the service it furnished seems to have been bad. Settlers complained incessantly of extortionate charges and arbitrary treatment. They used to exhibit tariff sheets showing that when the season had been good and the crops abundant the company

*Loss

advanced the rates, so that good harvests really meant nothing except to the railroad. I suppose that I need hardly say that the rates thus increased were never afterward reduced. To reduce them would not be in accordance with railroad companies' practice all over the world. In Australia as easily as in America the companies worked the old humbug game about the vast mystery and difficulty of making railroad rates, and while they juggled like prestidigitators the rates always went up. Substantial demonstration of the justice of the settlers' complaints was found in the fact that in ten years the region showed practically no gains in population. There is nothing to tempt newcomers into a country where all the profits of production are skimmed off by the railroads. Tradesmen as well as farmers complained; they had to submit to extortion on their freight shipped in as much as the farmer was robbed on his freight shipped out. Of course the railroad was owned in England, and its resident managers, like the managers of the Irish railroads similarly owned, had no business and no responsibility except to gouge profits and to show dividends. So in 1899 the exasperated government determined to end a situation it had tried in vain to control, and bought outright the whole enterprise. Since then the railroad has been operated for the Common Good. One of the results is that the settlers have had lower rates for their produce and better service. Another is that in the eight years since the purchase the population in that region has quadrupled. And another is that with increased service and lower rates the Government has still made a profit on the investment.

Municipal ownership has not advanced in Australia relatively so fast as state ownership. Lighting enterprises are still generally in private hands, and so are many

street-car lines in the cities, although these the municipalities universally plan to acquire in a few years. In Sydney the gas is furnished by a private monopoly, which charges high rates and makes profits that would compare favorably with the loot of any American gas trust; but this is undoubtedly a temporary condition. The admirably managed Sydney street-car system, one of the best in the world, furnishing quick, cheap, and comfortable service over 110 miles of track, and embracing all the suburbs and nearby resorts, is owned and efficiently operated by the state. On an investment of $12,507,540 this system, for the last fiscal year, returned, after all charges and deductions, net profits of 4.45 per cent. This includes the lines that were extended to build up new suburbs and to relieve city congestion, on which the present traffic is small. The fares are arranged on a distance scale. You can ride two miles for two cents.

Telegraph and telephone systems everywhere are government enterprises. Telephones were formerly in the hands of private companies, but the people wearied of the consequent exactions and annoyances. Likewise, Australia is free from the curse of express companies like Mr. Platt's grafting concern. The parcels post takes everything up to eleven pounds, and above that you can get fast and cheap service on the government railroads.

The telegraph rates are sixteen words for twenty-four cents from any place in any state to any place in any other state on the continent. Within the borders of a state you can send sixteen words within fifteen miles for twelve cents, or anywhere in the state for eighteen cents. From Sydney to Adelaide, 1,082 miles, you can send sixteen words for twenty-four cents. From Chicago to New York, 940 miles, the rate is fifty cents for ten words; also from

Spring Park, Minn., to Chicago, 445 miles. The Australians seem to have rather the best of us on rates. But on the other hand it must be admitted that the Australian telegraph system is not ornamented with the common stock, preferred stock, watered stock, treasury stock, first-mortgage bonds, second-mortgage bonds, debenture bonds, refunding bonds, bogus bonds, water bonds, worthless bonds, consolidated bonds, plain bonds, and the other beautiful structures with which our superior enterprises are artistically adorned, and of course that makes a difference. By comparison how crude and primitive seems the Australian system of transmitting telegrams at mere cost! One might almost think the Australians did not like to be robbed.

As to the telephones I give some specimen charges that should have interest to those of us that live in cities:

TELEPHONE RATES PER ANNUM, UNLIMITED SERVICE

New South Wales and Victoria

City exchanges, business houses	$45
City exchanges, residences	25
Country exchanges, business houses	40
Country exchanges, residences	25

South Australia

Business houses	$50
Residences	25

Western Australia

Business houses	$35
Residences	25

Tasmania

Business houses	$30
Residences	22

These rates apply when the line on which the subscriber

is situated is not longer than a mile. For greater distances the rates are somewhat increased.

In Victoria the charges for using the public telephones are six cents for three minutes. You can talk anywhere within twenty-five miles for twelve cents. The telephone system gives New South Wales an annual revenue of about $560,000, and has repaid the state several times the investment.

Fifth, the Labor Party agitates for a national system of old-age pensions.

At present New South Wales and Victoria maintain state systems of this kind. The age limit in both is sixty-five years. In New South Wales the pension is $2.50 a week; in Victoria it is $2. On the pension account New South Wales expended in 1904–05 $2,593.28, including the expenses of the department. A Federal Commission (established at the Labor Party's instigation) has prepared a bill to establish old-age pensions as a commonwealth undertaking.

These are the Labor Party's theories and some results of the Labor Party's activites. One thing is certain. There is no ruin in Australia. The tales of disaster and depression are wholly imaginary and made for campaign purposes. Observe some of these figures:

SAVINGS BANK DEPOSITORS, ALL AUSTRALIA

1871	100,799	1901	950,079
1881	250,070	1905	1,117,709
1891	614,741		

SAVINGS BANK DEPOSITS, ALL AUSTRALIA

1871	£3,220,806	1901	£30,869,591
1881	7,893,464	1905	35,844,839
1891	15,536,592		

BANK DEPOSITS, NEW SOUTH WALES

1881	£20,308,017	1901	£33,258,456
1891	35,659,690	1904	33,281,275

BANK DEPOSITS, VICTORIA

1881	£21,151,910	1901	£30,618,062*
1891	40,416,067	1904	31,674,797

NET EARNINGS, GOVERNMENT RAILROADS

1881	£1,685,220	1901	£3,663,451
1891	3,151,948	1905	4,415,493

AREA UNDER CROP, ALL AUSTRALIA

1871	Acres 2,345,922	(grass lands excluded)
1881	Acres 4,489,607	(grass lands excluded)
1891	Acres 5,365,685	(grass lands excluded)
1901	Acres 8,813,666	(grass lands excluded)
1905	Acres 9,365,022	(grass lands excluded)

POPULATION OF THE COMMONWEALTH

1861	1,166,877	1891	3,835,434
1871	1,703,080	1904	3,994,071
1881	2,323,384	1905†	4,200,000
1891	3,249,380		

No, here is no ruin. The bank dividends paid in 1905 reached $10,000,000. Bank deposits mount up, mills run full time, the farmers prosper, the losses from the drought are recouped from the abounding fertility of the soil, irrigation is to battle with future droughts, the dissatisfaction with the new constitution is the mere froth of partisan politics, a great new nation has started upon a career that has every promise of the most splendid achievements. Some time the older world will discover what this wonderful continent really is, its vast possibilities of wealth, its agreeable climate, and the unequaled opportunities it will offer when its surviving feudalism shall have become

*This decline was caused by the seven years of terrible drought.
†Estimated.

wholly extinct. It is quite evident that with the advanced democracy of Australia, the absolute equality of men and women there, and the consequent purity of the political atmosphere, it is to have strong attractions for all men that care for political freedom with decency and righteouness in a government administered with clean hands. And for these high aims much, very much, is due to the activity of the Labor Party, and to the plain, thoughtful men from the work bench and the machine, that, toiling by day and studying by night, hit upon exalted notions of the functions of government and then strove to put such notions into daily practice. After all, idealism cannot be so very bad; a nation with a flourishing party of idealists influencing its affairs is spared much evil; a political party with the Sermon on the Mount for a creed is not likely to work harm in this world.

CHAPTER XXVIII

NEW ZEALAND—ADVENT OF A GOVERNMENT THAT CARES MOST FOR THE LEAST FORTUNATE

WHILE all the rest of the world resounds with the clamor of conflict, here is the one country that has achieved peace.

Elsewhere society is disturbed from time to time with strikes, lockouts, labor wars, long and costly interruptions of industry, street riots, and sinister outbreaks of violence. Here is a country without strikes, without labor disturbances, without walking delegates, pickets, Pinkertons, riots, dead-lines, injunctions, strike breakers, armed guards, special strike deputies, or militia called out to shoot citizens and defend property.

Elsewhere class lines become more sharply drawn, the bitterness grows between employer and employed, thoughtful men have the gloomiest forebodings of struggle between class and class. In this country alone the antagonism between labor and capital has become chiefly a reminiscence, and employer and workmen begin to look upon their interests as essentially one.

Elsewhere poverty increases, the slums spread, millionaires multiply, accumulation becomes an imminent threat, wealth and power gravitate into the hands of a few, greed preys upon need, feudalism in a new guise seems to gain upon free institutions. In this country alone men look upon these things as upon passed problems not again to bar the way of progress.

In New Zealand you shall find no threat of accumulating millions, no trusts, no money mania, no corrupted legislatures, no poverty (as elsewhere we understand poverty), no destitution, no palaces, no slums, no unemployed, no epidemics, no over-crowding, no pest holes, no noisome back streets, no heaps of unsanitary dwellings, no spots where people live without light, fresh air, and sunshine, no physical degeneration, no Hooligans, no tramps, no idlers, no trained monkey nor horseback dinners, no life-insurance scandals, no tax-dodging corporations, no boodling, no free-pass bribery, no watered stock, no fraudulent bonds, no rebates, no discriminations, no railroad combinations, no private graft for railroad presidents and managers, no refrigerator-car swindles, no immunity baths, no Beef Trusts, no pirate crews, no Morgans, no Rockefellers, no Armours, no smug Depews, no "Systems," and no government afraid to enforce the law upon the rich and the powerful.

In New Zealand slum conditions are so utterly unknown that the death rate is the smallest among all the nations; the cause of the Common Good has been carried so far that the distribution of wealth is the most even and the average state of the inhabitants the best.

In New Zealand is no evidence anywhere that some men are gathering too much of the fruits of the earth while others can win too little.

In New Zealand, therefore, most of the questions we began by asking seem to have been answered; and judging by results, not by theories, here is the utmost present achievement of modern constructive statesmanship.

Yet it was not always so. Sixteen years ago New Zealand was striding manfully along the old path with the rest of us, ready to create paupers and starve them, ready,

to create millionaires and adore them, doing the things that generate misery, privation, riots, and splendor in the approved fashion of our own wisdom, following faithfully England's way to the same pit of horrors. Sixteen years ago nothing indicated that New Zealand would not have as many strikes, riots, slums, paupers, idiots, deformed children, starving men and women, teeming subcellars, hideous diseases, trusts, millionaires, tenements, and palaces as the remainder of the civilized circuit has. Few of the young countries gave a more reasonable promise of a harvest, in the process of time, of all the sweet fruits of our own precious methods. Yet the promise has been brought to naught, the most hostile critics admit that it has been brought to naught, and nothing observable in the present world outlook ought to equal in interest for the rest of us the story of the saving of that one brand from the burning.

Strange to reflect upon the good that has been born of evil, like flowers in a swamp. The germ of New Zealand's transformation was developed in a strike. Twice before in these chronicles we have come upon this phenomenon. Coöperation was born of the flannel weavers' strike at Rochdale; the reform movement in Australia was evolved from the silver-miners' strike at Broken Hill. In the same way democracy has often been furthered from the most uncouth and least promising sources when the schools and learned writers advanced it not an inch. To make this particular instance even stranger, the strike that changed New Zealand's destiny was sympathetic. In July, 1890, the maritime industries of Australia had suffered a great and historic strike for a readjustment of wage scales. One month later all the maritime workers in New Zealand left their work, not because they had any grievances but

merely to help the strikers in Australia. Outside of organized labor all New Zealand blazed up at this arbitrary action. Such a manifestation of public wrath had not been known since the colony was founded. That men should strike for a cause of their own was understandable, but that having no complaint they should cripple trade, stop industry, imperil property, and cause general distress merely because 1,200 miles away other men were striking seemed an intolerable outrage. Men that had never done manual labor were moved to offer themselves in menial capacities to the steamship lines; merchants and their clerks went upon the piers and handled freight, college students shoveled coal, professional men left their wonted employment to hunt for strike breakers, offers of assistance came from the unlikeliest quarters. At any cost the strike must be broken; that was the feeling of the community. Very large interests were risked, for the maritime enterprises of New Zealand are vital to it; not only because it has great trade with Australia and other lands, but because usually the chief and sometimes the only transport between its towns is by the sea. Yet men said that there must be no compromise, no matter who suffered. More than the ruin of trade impended, for the strike had included all workers in and about a ship excepting only the captain, and when the places of engineers, mates, and stokers had been filled with green and incompetent men the peril to life and goods was great along those rocky shores.

But the iron was up in the blood. The people furnished the strike breakers, and took the risk of their bad work, and the result was the rout of the strikers.

All this seemed well enough. But the cost of the strike had been, for a small country, enormous. In many a tradesman's balance-sheet holes had been made that months

of fair trade could hardly cover. Moreover the victors were plagued with the sight of the vanquished, often in acute distress. The strike had left many wounds, for that is the rule with strikes. Labor men were sore and sullen in defeat; and the merchants were angry at their losses.

Now there was in New Zealand a certain class of thoughtful men, interested in public affairs and studious of economic tendencies, that looked beyond the fighting armies of capital and labor and without prejudice to either side saw that these things would not do. Clearly, strikes did not pay; no matter who won, victory was too costly and too empty. Much better than the merchants they could understand a sympathetic strike because they could understand how men, feeling a sense of common struggle against common injustice, might be drawn by a bond of fellowship into a battle in which they had no direct concern. But, whatever might be the cause, a strike was not in the line of progress. Strikes, they said, should be abandoned everywhere, and first in New Zealand.

A handful of men with these convictions, and some others, determined to see if the civilization of the ballot box could not be made to prevail upon the savagery of such conflicts. They drew together some of the labor leaders, organized a party, joined hands with the Liberals, and began a campaign for improved conditions.

It was a good ripe time. Under a somewhat tenuous form of allegiance to England the colony was self-governing, with a responsible ministry and with parliamentary elections every three years. While New Zealand had kept the even way of commonplace the conservatives and better element had ruled; but dully. An election came on the year after the strike, interest in politics

suddenly revived, there was a brief and animated struggle and the Liberal and Labor combination won by a slender majority. The conservative and better elements were swept from office, and New Zealand quickly learned that the new government, with John Ballance at its head, meant very different things.

The men that thus came to power were not like men that had ever ruled in any English colony in the world. They were not of that governing class that has so long dominated England; they were not even educated men in the narrow sense of the scholiast. As a rule, they had earned their bread with the toil of their hands; they had known what labor means, the sweet and the sour of it. They were of the men that think while they push the plane and read while other men sleep; working men like that broad-faced, big-hearted Alexander McLeod that blessed Woolwich with Coöperation, thoughtful men like the Rochdale Pioneers. Out of their reading and thinking they had evolved a certain creed, and gradually they began to put it to the practical test of experience. To them it seemed clear that modern conditions and developments had made useless the old ideals of government. To open the door to the unrestrained operations of capital was merely to make certain that in a few years a few men would usurp the means of life and the majority would be in want; and wherever this happened the power of accumulated wealth practically abolished free government. They concluded from their reading that in reality the struggle against the forces oppressive of mankind was not ended, but only begun, when the claws of monarchy were clipped. Monarchy seemed to them only one form and one name of a power that around the world operated to keep down the many and to elevate the few, a power no less active be-

cause it was subtle. They believed that the first question worth considering was whether capital and the money mania were to be allowed to enslave the majority of the race, and they felt certain that mankind could not follow far its present road without reverting to purely medieval conditions.

It did not seem to them that these tendencies were necessary. They did not quite believe in the gospel of palaces and slums, surfeit and starvation, too much and too little. The notion that three-fourths of humanity must live in want and misery and one-tenth of it dwell in atrophying luxury seemed to them monstrous. They did not admit that because a condition has existed for centuries it is necessarily sacred or of divine origin or incapable of improvement. They thought it might be possible to erect in one corner of the earth a country where the fortunate should not prey upon the unfortunate, nor absorb the public resources; where slums need not flourish, labor need not be a badge of disgrace, the public service need not be corrupted, and life might be decent and clean and safe.

To them it seemed that the kind of government that would bring about better conditions would reverse immemorial custom and give more of its attention to the poor, the obscure, and the unfortunate than it gave to the eminent and the rich. They thought it was of more practical importance to the race to prevent epidemics and to alleviate misery than to adorn society or to collect campaign subscriptions, and they resolved that when the government of New Zealand should pass into their hands they would see if they could not do something to obliterate poverty and restrain the predations of wealth. To this task they went without the assistance of the blessed science of political economy, but they had something that seems

almost as good. They had plain common-sense, high courage, and sincerity of purpose.

Many of the ideas that they have since put into practice were very vague with them when they began; but one thing seemed clear enough. They believed that most of the evils of the world resulted from the uneven distribution of wealth, and that they ought to do something to help the men that were getting too little to get more. A primitive way to help was to keep them in good physical condition; so the campaign of the new government opened with bills to improve health. Wherever two or more persons were employed, was the sweeping declaration of these measures, there must be adequate light, fresh air, approved sanitation, and ample fire-escapes. If meals were eaten upon the premises employers must provide dining-rooms with tables, chairs, and facilities for heating water, so that workingmen should no longer be compelled to eat, while seated upon work-benches, cold luncheons from tin buckets. Inspectors were provided to see that these regulations were strictly enforced, and heavy penalties were laid upon employers that neglected them. Working-men were protected in other ways. For the first time in New Zealand they were allowed to file mechanics' liens upon an owner's property in default of payment by a contractor, and the laws about employers' liability for accident were amended so as to give an injured workman a chance to recover damages. Previously such laws had been devised, as they generally are with us, to enable the employer to dodge his responsibility.

All these changes merely paved the way to greater matters. The new government next took in hand the crying evil known to us as the "Company Store," and abolished it. Did you ever consider the company store? It is a

beautiful thing for highway robbery, safe, efficient, and immensely profitable. A good reliable company store is better any day than a sand-bag or brass knuckles—never leaves a mark and the police don't bother about it. Once New Zealand had many company stores, and, as with us, one of their sweet results had been that some of the families enslaved to these delectable institutions never saw any money from one year's end to another's. They were continually in debt at the company store; whatever they needed they must get from the company store; the only inheritance they could leave to their children was this lifelong and hopeless account at the company store. Even when the purchases were made at reasonably fair prices the thing was a swindle. The employer owned the store. He therefore in effect paid the men in goods at retail prices that he had bought at wholesale prices. But the cases where the prices were reasonable were few, and where the employer made diligent use of his opportunity the game was burglary. Some years ago, when I was investigating the anthracite coal-mines of Pennsylvania, I found that the run of prices at the company stores averaged thirty per cent. higher than they should have been, and the miners were compelled to buy at those prices or be discharged. At the same time the law of the State absolutely prohibited company stores, and almost every coal-mine had one. Well? What would you expect? It was Pennsylvania, you know, and names were so easy!

In New Zealand when they pluck up an old villainy they fetch away roots and all. They didn't namby-pamby with negligible laws to "regulate" or prohibit company stores, but made company stores impossible by providing that all wages must be paid in cash, and nothing but cash, and without deductions for indebtedness.

Thus, if a workman's wages were $30 a month and he owed $16, it was not possible to give him $14 and a receipt for the amount he owed. He must be paid in full $30, even if he returned $16 of it the next moment. Also, wages must be paid within twenty-four hours of a demand for them, and wages of less than $10 a week were exempt from attachment from any source, a provision that practically abolished the loan shark.

Upon these changes as seeming to indicate a sentimental philanthropy, the conservative element looked with mild disfavor; but when the reformers undertook to carry out, by a radical and unprecedented interference with private affairs, their ideas of the distribution of wealth a howl of dismay and a reasonable protest followed. Political economy says you must not attempt to regulate the number of hours that a man may work. It cites instances where governments have tried to do this and have failed, and it demonstrates clearly that these matters must be left to the mutual consent of employer and employed. Moreover, there is the terrible freedom of contract; any attempt to limit the working day is a violation of that holy of holies; no less a body than the Supreme Court of the United States has said so and sternly rebuked audacious heretics that thought otherwise. But the New Zealanders had another kind of a Supreme Court, and they said that if freedom of contract compelled men to work too long hours for too little pay, then it would be better for the poor blind world to try to stumble along bereft of the precious boon of that freedom. So they broke into the shrine and rioted there in a manner most shocking. They passed a law so emphatically constituting eight hours and no more a day's work in all industries that neither ingenuity nor hardihood could evade it. Some exceptions were made in the

necessary cases of men engaged in emergency work, as sometimes in the railroad train service, and salesmen and saleswomen were specially provided for in another act; but for all other toilers eight hours became the working day. For all labor in excess of eight hours and for all labor on holidays, workers must be paid at the rate of one and a half times their usual compensation. All employers were obliged to keep records of all overtime work, the names of the men so employed, the overtime they worked, their regular wage rate, the amounts paid to them for overtime; and copies of all these records must be filed with the colonial department of labor.

In all trades, industries, and businesses, a weekly half-holiday was decreed for the round year. Choice of the day was made locally optional, but in each of the labor districts into which the colony had been divided all stores, shops, and factories must close for one day in the week at one o'clock and not be open until the next morning. For retail stores the length of the day was fixed at nine hours including an hour for luncheon for each employee. All overtime and holiday work in all stores, retail and wholesale, was ordered to be paid for at one and one-half times the regular scale.

All employed women and children were placed under strict legal protection. No child could be employed anywhere in any way at an earlier age than fourteen years. From fourteen to eighteen years all employed persons must be provided with a certificate of age and of having passed the fourth standard examination in the public schools. And here was something else to make our eyes bulge. No woman of any age and no boy between fourteen and eighteen years of age could work overtime in their employment except on twenty-eight days in the

year and then for not more than three hours in each of the twenty-eight days. In order to obtain even this overtime the employer must on each occasion file at the nearest office of the labor department an application and secure a permit. The application must state the name and age of each person of whom overtime work was desired and the amount of overtime expected. These names were ordered to be kept on file in the labor offices. Before the permit could be issued the records must be examined. If any person in the submitted list had within twelve months worked overtime on twenty-eight occasions the application for that person must be rejected. And for all the overtime work allowed the employer must pay a price and a half.

In our own happy land, where the freedom of contract is inviolable, we proceed in quite a different way. Imagine the salesgirls in a great department store restricted by law to three hours' daily overtime in the Christmas season, paid for that at one and a half times their regular wage, and provided with supper money or car fare to go home! But in the New Zealand stores you do not see those pale, thin, exhausted young women, struggling on with overtaxed frames and weary feet, that brighten for us the merry Yule-tide.

One morning when I was in the Pennsylvania anthracite region I arose early to see the men (and others) go into the mines. It was a great sight because in this gathering host of labor were about fifty boys whose employment was a crime against humanity and the State law and sowed the certain seeds of disease, ignorance, vice, and misery for society to reap. I saw one man trudging off to work with his three children. One walked on each side, grasping his father's hand, and the third, being too little to keep up

THE CITY OF WELLINGTON, NEW ZEALAND

AUCKLAND FROM THE WHARVES

with the others, was astride the father's neck. The oldest of these boys was eleven and the youngest seven. I was told that the two older boys drove mules in the mines. And the boy astride his father's neck? Oh, he picked slate.

You shall see no such sight as that in New Zealand, glory be.

CHAPTER XXIX

THE BREAKING OF THE LAND MONOPOLY IN NEW ZEALAND

IN MUSIC," said Schumann, "nothing is wrong that sounds right." The advance movement in New Zealand has been founded upon a similarly revolutionary doctrine. To the plain men that now controlled affairs nothing in legislation was bad if it furthered the welfare. health, liberty, happiness, or opportunities of the masses of the people. While they were radically changing conditions for the working-men they were also busily knocking to pieces a land system that had all the bulwarks of old custom and all the sanctity of formula.

As in Australia, the land question really overtopped everything else. It was to these countries as the trust question is to us; on it depended whether the nation should go forward or backward. For years before the advent of the reformers, New Zealand, under the control of her landowners and bent upon a general and filial imitation of England, had made as much progress as imitators usually make. The finances were in a bad way, trade was torpid, the extraordinary resources of the islands were chiefly undeveloped. It was known then as a "nice colony, New Zealand"; it was well-behaved, it had the proper reverence for antiquity, it could be depended upon to spread the dry-rot of feudalism and conservatism; among many ways, by a land system copied from England's under which great estates seized and held most of the

arable land in the colony, outside of the crown possessions. It was the same old story; no settlers were coming because there was no land to attract them.

What was known as "the gridiron method" assisted materially in the building of these fine old estates. One member of a family would get hold of a strip of land while his son bought a parallel and similar strip a short distance off. Then they found means to squeeze out the intervening holder, if any, and amalgamated the properties in a way calculated to warm the heart of any land-grabbing American senator, in or out of jail. Where land was held by small settlers it was usually mortgaged. At one time farm mortgages were proportionately as common as they ever were in Kansas. On these heart-breaking debts a cruel interest was extorted. Banks were wont to get ten and sometimes twelve per cent., and the Shylocks and money-lenders did still better. As not even New Zealand farms could sustain such monstrous loads the country was steadily becoming poorer.

For these conditions the reformers applied two remedies that caused many of their friends to wince, the conservatives to protest, and landed families to cry aloud in agony.

First, the government passed an act under which it was authorized to use the public funds to purchase estates and to throw them open to settlement. Wherever there appeared to be a piece of good land useful for the purpose, the government descended upon it and offered the owner a price. Invariably the offer was refused. Then the government appointed an arbitrator, the owner chose another, the two chose a third, and these fixed upon the value of the land. To this the government added five per cent., and the owner was obliged to accept the price thus determined, and to vacate the premises. Yes, like it or

dislike it, out he went. And without appeals, stays, injunctions, arguments, briefs, surrebuttals, new trials, reopened cases, postponements, circuit court decisions, appellate court decisions, supreme court decisions, or any other time-wasting. He pocketed the money and went from the land, or the government threw him off. Then the government cut the land into small farms and offered these to settlers on leases running 999 years and based upon four per cent. on the purchase price.

One of the builders of fine old estates and revered landed families was a gentleman that rejoiced in the pleasing name of Readymoney Robinson. He had a trifle of 120,000 acres, which he had formed into an estate called Cheviot, and planned to leave it as a seat of the landed gentry so dear to the English mind. In 1893 the population of Cheviot was twelve, all told; being, in fact, sheep-shearers. On a part of the land a few sheep ran; the rest was idle and would long be, for I suppose I need hardly say that the utility of these grand estates was either as a speculative holding or as sweet hunting preserves. The government offered Mr. Robinson a price for his land. Mr. Robinson declined it with scorn and indignation; naturally, for all the landowners looked upon the government's policy as an outrageous invasion of their rights, and upon the men that constituted the government as vile, atrocious anarchists. But the government, caring naught for these things, carried out the law upon Mr. Robinson, ousted him, cut up his fine old estate into small farms for the lower orders, and to-day 2,000 persons live upon it; and where in the good old days was nothing but a hunting field and a few sheep are now fields of grain.

High-handed and arbitrary all this was, no doubt, and subversive of the blessed precedents; but it saved

New Zealand. It tore to shreds one of the favorite postulates of the learned writers, for it recognized and paid for the unearned increment; the families that held lands for speculation got for their holdings the full market value and more. But it made New Zealand prosper, it turned the hunting fields into productive farms for men and women, and the plain men in charge of affairs said it was better to have production and opportunity and homes than to have all the economic postulates that ever were written.

They did more than this, for they have never rested with any achievement, nor thought it represented the ultimate state of man. They lifted the blight of the mortgages. How? In the most radical, direct, and "unscientific" way imaginable. The colony pledged its credit, issued obligations, borrowed upon them $7,500,000, and lent the sum at four per cent. to distressed farmers, taking security on the farmers' lands. This, too, was in total violation of the laws of political economy in such cases made and provided; but it cured the mortgage evil, which was probably more important. Relieved of the old deadly burden of extortionate interest, the small farmers of New Zealand began to prosper. They have prospered ever since. So far the government has lent to the farmers about $20,000,000, but it has saved them $20,000,000 in interest, because as soon as it came into the field with its cheap loans, interest rates dropped everywhere. You see Shylock has fled from these shores and will not return.

The government has never lost a cent in these loans.

Reform proceeded next, with a land tax graduated to an ascending scale, to discourage land-grabbing and land speculation; so that the more land a man owns the higher is the tax-rate upon it. Thus for farms of ordinary size

the rate is two cents in every $5 of assessed valuation; but on estates of more than $25,000 the rate increases in regular ratio to the maximum of six cents for every $5.

Except for absentee owners. They must pay fifty per cent. more than residents. You can see that in New Zealand the chance for fine old families and landed gentry is slim.

No doubt the theory of these things is extremely reprehensible, but the practice is excellent. What with seizing the big estates and what with the graduated land tax the size of holdings has been so reduced that of 115,713 landowners in 1905 only 22,778 came under the operations of the augmented land tax. The others, having small properties, paid the smallest rate. Under the land purchase act the government has seized 691,594 acres, mostly hunting fields and uncultivated family inheritances. These have been partitioned into small farms and are occupied by actual settlers. Under the operation of all the new land laws together, the produce of New Zealand has trebled and the New Zealand farmer has become the most prosperous in the world.

There is another chapter in this story, which I add both because it has a certain touch of grim humor and because it contrasts so sharply with our own ways. We suffer so much from the performances of the tax-dodger that certainly every state, and I suppose every community, could increase its revenue at least threefold if the taxes were honestly levied and paid. Once they had tax-dodgers in New Zealand, but they have them no more. The reformers got rid of them by enacting a law that the government could buy any property at the value the owner placed upon it for taxation purposes. That is to say, if a gentleman declaimed that the assessors had

done him wrong, infamous wrong, and that the estate they had valued at $100,000 was not worth more than $80,000, the government could draw a check for $80,000, and the gentleman was obliged to accept the check and surrender the property. When this law had been sprung three or four times tax-dodging ceased to be an attractive amusement, gentlemen no longer complained of their assessments, and the revenues underwent a notable increase.

Do but imagine to yourself what would happen in Chicago, let us say, if the government had the right to purchase at the owners' valuation certain rich railroad, brewery, and other corporation properties, that now bear one-tenth of their proper tax burdens. Think of it! Chicago would find herself with enough revenue to have a police force and keep her citizens from being sandbagged and murdered. And what a change that would be!

CHAPTER XXX

THE END OF STRIKES IN NEW ZEALAND

MEANTIME John Ballance died in office worn down by his labors (for the eight-hour restriction has never applied to cabinet ministers), and in his place arose to fulfil the utmost hopes of the new movement one of the strongest figures in the history of government in any age or country.

Richard John Seddon, this remarkable man, was of Lancashire birth and a career whose extremes had touched about all there is in life. He came into the world desperately poor, the child of the coal-mines, where first with toil and trouble he began to earn his bread. Subsequent experiences included digging for gold on the west coast of New Zealand, acting as miners' advocate,* keeping a tavern, and campaigning for a seat in the lower branch of the colonial Parliament. He was a big man, with a big head, big strong hands, a big strong will and a muscular frame. His schooling had been exceedingly meagre; when he came to New Zealand he was hardly able to read; but he had tact, common-sense, a singularly cool, clear mind, a taste for executive politics, and a sincere sympathy with the toiling army in whose ranks he had served. He educated himself; he was well aware of conditions as they are and not as they exist in books; but it appears that in this revolution he was more of a Garibaldi than a Mazzini, and at all times thinkers and originators sat

* A kind of walking delegate.

behind him and mapped the way he won upon. He had come into the government with the Ballance ministry, and being the strongest member, succeeded naturally to the command.

He held it without interruption for thirteen years of achievements that seem most remarkable, carrying through daring innovations, upsetting formula and accepted theory, disproving the schoolmen, confounding his critics, and growing so much stronger at every election that in his last years he governed without opposition, all but fifteen of the seventy-five members of Parliament being pledged to his support. A plain man, with plain manners, great native shrewdness and skill, he kept his head in spite of his brilliant success. Tinsel honors of knighthood never tempted him; he remained plain Mr. Seddon when he might have been a baronet or peer or something of that kind; liked to be called "Dick," liked to chat with old cronies, addressed any one he knew well as "old man," wore a straggling gray beard, went about unpretentiously, and except for his big head and keen eyes looked essentially commonplace.

The greatest triumph of the new order, the law that rid New Zealand of strikes and brought labor and capital to mark time together, was the work of his administration. For strikes and riots this law substituted arbitration by tribunals maintained by the state. All labor disputes were by it referred to a Board of Conciliation, which was to take testimony and render a decision. If either side were dissatisfied with this an appeal could be made to an Arbitration Court, whose finding was to be final and binding.

The act was unique in two ways.

In the first place, it distinctly recognized the labor-union

as a necessary factor in modern life, legalized it, organized it, and dragged it up to perform a definite function in the government of the state. Each district (or county) in the colony was to have its Conciliation Board of five members, two chosen by the labor-unions of the district, two by the employers, and these four were to elect the fifth. The Arbitration Court, a colonial body, was to have three members, of whom one was chosen by the labor-unions, the second by the employers, and the third was a judge of the Colonial Supreme Court, selected by the government. For the elective places on these boards only such labor-unions and employers' associations could vote as had registered with the Colonial Labor Office; but any seven men in any trade could at any time organize a union and secure registry.

Still more revolutionary was the other peculiarity. In a way somewhat less than half-hearted we have established in various states Boards of Mediation and Conciliation. None of these has been of the least utility except to afford employment for broken-down politicians. The New Zealand law has been a real and not a nominal and exhibition thing because the New Zealanders seized at once upon the heart of the whole matter.

They made arbitration compulsory.

Now, according to formula and the text-books, arbitration cannot be compulsory; compulsory arbitration, we are told, is not arbitration at all, but a tyrannical interference with natural human rights. No doubt, good formalists; but here you can see it among a free and happy people in perfect working order, to the satisfaction of a community that is forgetting what the word strike means in other countries.

Under heavy penalties both sides to labor disputes are

bound to abide by the decisions of the Arbitration Court. In practice the government found that seven in every ten cases were appealed from the Conciliation Board, whose decisions were not final; hence, after a few years the law was so amended as to allow a direct resort (under some restrictions) to the Arbitration Court, thus simplifying and hastening the procedure. The Conciliation Boards found enough employment in other activities.

Since under compulsory arbitration there can be neither strikes nor lockouts, the essential business of the Arbitration Court is really to fix in every line of industry a minimum wage. I know the text-books say that you must not do this, but all the text-books seem to lose their effect when you come to New Zealand. There the minimum wage is fixed every week, and the only injury has been to persons that were wont to sell rotten eggs to be thrown at strike-breakers. Their business has been depressed; the rest of the community has fared exceedingly well.

See how the plan works in practice. Suppose the carpenters of Wellington think they should have higher wages. They make of their employers a demand for an increase, let us say, of a shilling a day. Suppose the employers to refuse the demand. The carpenters' union now brings the matter before the Arbitration Court, which summons both sides for a hearing. The carpenters through a representative (not an attorney) present their case; the employers make answer through a similar channel, that the demand is unreasonable, unwarranted, and they cannot afford to grant it. Whereupon the employers are ordered to produce their books and show to the court (not to anybody else) whether their profits will or will not justify the increase. If the court thinks the conditions in the building trade do not warrant enhanced wages, it

dismisses the petition and the matter is ended. If it thinks the employers can afford to pay a shilling a day more, it makes an order to that effect, and for the next two years in the Wellington district the scale thus fixed by the court will be the minimum wage for carpenters.

Meantime there has not been a moment's interruption of work,—not a ripple has disturbed the industrial sea.

May I remind you for a moment of the different procedure in our own happy land? Here the demand would be presented by a committee or by a walking-delegate (either extremely obnoxious to employers soured by many labor troubles), and instantly upon the refusal the men would throw down their tools and their work would stop all about the city. And not their work alone. Thousands of other men, plasterers, masons, roofers, housesmiths, tinsmiths, plumbers, decorators, and painters, would be unable to proceed with their work while they awaited the settlement of a quarrel in which they had no concern. Many innocent contractors would be embarrassed, many innocent tradesmen would lose heavily, many useful enterprises would be hindered, and the utmost borders of the community would feel the spreading circles of misfortune. Meantime there would be picket-lines, armed men, broken heads, and incipient riots; the police would attack the strikers and rioters would stone the police, and all the elements of civil war would surge about the streets until the militia should come and camp on the scene and shoot three or four innocent bystanders. Then, after weeks of paralyzed industry and monstrous losses in wages to workmen and in business to employers, some concession might be granted to the men, or the employers might secure enough labor to go on with the work; and the disturbance

would slowly subside, leaving smoldering hatreds certain to break forth in renewed and more desperate strife.

That is the way we do it. The coal-miners' strike of 1902 caused a loss of $100,000,000. A strike of teamsters in Chicago caused losses estimated at $20,000,000. The packing-house strike of 1904 threatened the nation's food supply. The Colorado miners' strike produced civil war and such conditions as Americans blush to think of. But that is the way we do it.

Shall not a man do as he pleases with his own? Shall he not conduct his own business as he may see fit?

Not in New Zealand, if his conduct of his business disturbs the public quiet or impairs the Common Good. Because in New Zealand the Common Good is held to be as much more important than any man's business as it is more important than the frayed and weary apothegms of medieval economics.

Lest I fall a victim to the vicissitudes of verbal fence, I must here remark that what by the able opposition newspapers of New Zealand are called "strikes" and "lockouts" do still occur there at intervals, and of the fact the most is made by interested persons both in the colony and in the United States. Men are still men in spite of all; advanced legislation does not transform them into angels. I will give an exact illustration of each kind of disturbance (so-called) as now it occurs in New Zealand and you may judge for yourself of the justice of my comments. Both of these events befell while I was in New Zealand. At Dunedin a house was being built on the outskirts of the town. On a Monday morning five carpenters employed thereon, being, I suppose, still affected by the lees of holiday exaltation, refused to work on the terms of their employment. The contractor telephoned the local branch

of the government labor bureau, which sent an inspector to the spot. The inspector made an investigation, ordered the contractor to discharge the men, and sent five others to take their places; and the work was resumed at once. This incident was promptly labelled a "strike" and exploited in New Zealand and elsewhere as some reflection upon the arbitration law.

The other disturbance (so-called) was in Wellington. The clothing manufacturers applied to the Arbitration Court for permission to change the wage basis in their establishments from day labor to piece work. This the Court granted. When the piece-work system went into effect about February 1st, the manufacturers found that they could operate with fewer employees; consequently they discharged some workers. It being apparently the idea of some persons that the business of the Arbitration Court was or could be represented to be the doing of the impossible this incident was called a "lock-out" and widely heralded by that name. Even in New Zealand the methods of sanity do not proceed without some opposition and the Vested Interests have still both power and newspapers.

But these happenings were not even cloud-drift on the industrial horizon; nobody really heeded them for a moment. The "strike" was not a strike, the "lock-out" was not a lock-out; and nothing that has occurred so far in New Zealand indicates any fatal defect in the arbitration system. Doubtless it has still to be far extended and improved. But even as it is it shines conspicuously in advance of the old barbarian methods of the club, the strike, armed guards and bloody strife.

CHAPTER XXXI

THE PRICE OF PEACE

ONCE we taught the nations what to do. Now we teach them what not to do.

It is even so. In all the remaking of New Zealand a tremendous impulse has been the determination to escape, at whatever cost, the conditions prevailing in the United States. All the world knows what has happened to us. The story of the American trust has penetrated to every corner of the globe; the very boatmen on the Wanganui River and the Maori schoolboys will tell you that America is dominated by its rich men and corporations and distracted with labor upheavals. To all mankind we seem to have become the awful example. Often in Switzerland and Germany I was startled to find how keenly, even to the minutest details, our troubles had been noted, and here in New Zealand not a line of their significance was overlooked in the discussions provoked by the new measures. "Let us have no trusts here such as exist in America," men said. "Let us have nothing like the American railroad companies, bribing legislatures and watering stock." "The strikes in America are terrible calamities; we must not have such things here." The newspapers teemed and still teem with such comments; and if we have done ill for ourselves we have at least done well for our neighbors, since every disastrous effect upon America of the unequal distribution of earnings and of opportunity

has been a spur to the regeneration of New Zealand.

Yet, while men were substantially agreed that New Zealand must not duplicate our blunders, at first every measure of the new government was fiercely assailed. In our turn, perhaps, we can draw instruction from the history of these contests. Not an innovation of the reformers failed to fructify in the most appalling prophecies, based upon evidence incontrovertible. Capital and manufactures would be driven out of the country by these preposterous labor laws, public credit was to be destroyed, banks were to fail, industry would be paralyzed, commerce ruined, workers reduced to idleness, the population would decline, and incentive—ah, there is the thing, incentive! Well, there would be no incentive in New Zealand; incentive would be annihilated, and ruin and desolation would stare the country in the face, for how shall we keep house without goodly store of incentive? Many a man has proved from his books that it would be impossible for him to continue in business under the new conditions, not merely asserting his impending fall but proving it with facts and figures. Many a man has shown how one of the finest and most promising countries in the world, sir, was being driven headlong to destruction by a gang of crack-brained dreamers that knew nothing whatever about business and were killing the colony, absolutely killing it, to exploit their own theories.

What is called around the world the "better element" was steadfastly opposed to the new program. University men attacked it from their text-books, society people and those that regarded social conditions in England as forming the immaculate and lovely model for a well ordered state denounced the new policy as demagogic, revolutionary,

and pandering to the lower classes. Business men and employers resented the interference with their ancient and approved privileges. This thing of closing shops at five o'clock in the afternoon and enforcing a weekly half-holiday, how preposterous that was! A man had a right to keep his shop open as long as he pleased and the arrangements he made with his "hands" were his own business. Government might as well tell him what he must eat for dinner. Then this arbitration and minimum wage—that was all wrong. The Arbitration Court raised many wages, the state of business would not stand any increase of expenditure, business men would be bankrupted or driven to other countries. And the land laws—what right had the state to say how much land a man might own? It was his money; he could buy what he pleased with it.

Thus in chorus spoke convention, formula, accepted doctrine. But the dreamers that "knew nothing whatever about business," one of whom had been a miner, another a carpenter, another a telegraph-operator, another a farmer, and another a journalist, kept on their way rejoicing, and steadily exploited their dreams and crack-brained theories. I am obliged to say that the results have been uniformly on their side. The men that clearly foresaw cataclysms of disaster are making more money than they ever made under the old conditions; the employers that knew they would be driven out by the revolutionary innovations have remained to gather their safe and certain profits.

Here is some of the ruin and desolation wrought for New Zealand by the men that "knew nothing about business":

For thirteen years the country has known industrial

peace; the population has grown more rapidly than at any time since the days of the pioneer settlers; the amounts of business transacted, of commodities manufactured, of crops produced have eclipsed all records; the credit of the colony has never been so good; the bankruptcies have never been so few; nothing approaching the wealth, progress, and prosperity of the last thirteen years has been known since this beautiful country was discovered by white men. That is all. Manufacturers, wholesale and retail merchants, employers great and small have again and again assured me that if they had unlimited power they would not change the present system; it suits them well enough, labor laws and all, arbitration, minimum wage, eight hours, all the rest of it; they want no change. They know now just what their wage-scale will be for two years ahead, they know that what they pay all their competitors must pay, they know their business will not be plagued with strikes. With perfect confidence contracts can be made and bids submitted. Hence the old animosities between employer and employed fade out, the idea of a community of interest begins to appear with the idea of equality and fellowship. No capital has been driven from the country, no industry has been crippled or injured. Not long before I reached New Zealand the leading commercial association of the colony had held its annual meeting in Christchurch, and manufacturers and merchants had testified there, voluntarily and without a dissenting voice, to the peace, welfare, and prosperity that the dreamers had brought to them as to all New Zealand.

Going pretty far, wasn't it?—to say what wages a man shall or shall not pay, and to fine him if he makes other use of his own money. Many a New Zealand employer that has made with some needy man a secret arrangement

for less than the scale has found sorrowfully that this law exists to be enforced. They told me in Wellington of one employer that had been fined $3,000 for paying less than the scale, and of many cases where the fines had ranged from $100 to $1,000. Yes, it was going pretty far. But not so far as street riots, bloodshed, and civil war. The New Zealanders did not care to have the street riots, so they chose this.

And it costs so little to have peace, so little in money and in effort. Nothing, it seems, is needed but a little patience and justice and even-handed democracy. In the official year of 1905 the inspectors of the Colonial Labor Department brought before the Arbitration Court 295 charges of breach of award, of which 232 were found to be justified; the others were dismissed. In these cases the court inflicted fines amounting to $2,647.50 in back wages. "Back wages" means the difference between the scale and the wages that the guilty employer had actually paid. Under the law the employer must pay this difference to the workman in addition to the fine imposed by the court. Far more important than this, the inspectors were able to settle out of court 312 cases, and without litigation to obtain $7,315 in back wages; for the tendency is always for amicable understanding without recourse to the courts.

What the New Zealand Labor Department actually does in behalf of the workers may be judged from this summary of its activities in 1905:

Enforcements by Arbitration Court of awards and agreements	389
Interpretations by Arbitration Court	33
Intrepretations by Conciliation Boards	29
Recommendations (in disputes) by Conciliation Boards	10
Industrial agreements secured	15
Judgments under Workers' Compensation for Accidents Act	28
Total number of cases before Conciliation Boards	39
Total number of cases before Arbitration Court	448

For the entire work of conciliation and arbitration for 1905 the cost was $16,450. Such is the price of peace. The coal-miners' strike cost us $100,000,000. Such is the price of war. Somehow in this comparison we look a little foolish, do we not?

Meantime the condition of the employed in New Zealand has become the best among all the workers of the world. Wages have gone up, yes; in all branches of industry. But the employers find that high wages are the true economy; that employers prosper as the employed prosper. On the whole, from this attempt to equalize the distribution of wealth by improving the state of the least fortunate have come more unalloyed satisfaction and comfort and general prosperity than from any other legislation I have found in these wanderings.

Photograph by Kinsey, New Zealand

THE LATE RICHARD JOHN SEDDON

For thirteen years Premier of New Zealand, in the reform period

QUEEN STREET, AUCKLAND
A busy thoroughfare in a beautiful and rapidly growing city

CHAPTER XXXII

DEATH OF AN ANCIENT SUPERSTITION—BIRTH OF A NEW IDEA

WOMEN vote in New Zealand. Not nominally, nor only for school trustees, nor semi-occasionally, with fear and trembling lest it be known, but regularly and openly and as a matter of course. They have a free and unlimited womanhood suffrage; they can vote on every question and for any candidate at any election, equally with men. For ten years they have had and exercised that right, and so far as a merely human investigator can discover, they have not wrought any ruin, lost any womanhood, nor called down any vengeful wrath from heaven.

The reformers gave the franchise to women. It was part of their program. In their view the cure of the evils of the state is the utmost democracy, nothing else; and it did not seem to them that there was much democracy in a country where one-half of the people had no possible share in the government. Moreover, in their view, women are not idiots, nor children, nor dolls, nor dress-pattern exhibits, but integral parts of the community, at least as well worth legislating for as any men—and as well worth regarding as sentient creatures. So they cast aside prejudice and cant (which was a beautiful habit of theirs) and made New Zealand the first country in the world to recognize the political equality of woman. They wanted to do at least as much to help women as they did to

help men. When they found that in some of their laws the word "workmen" was construed by women to restrict the statutes to men they promptly and everywhere amended the word to "workers." They have legislated repeatedly and in many ingenious ways to better the condition of women employed in stores and factories. They even tried, fond, foolish men! to assist the housewife by solving the terrific question of the domestic servant; they opened a free registry office and tried to supply households with maids and cooks. As well might they have tried to bridge the Southern Ocean. Even the persistence of Richard John Seddon failed in this unequal contest. In October, 1904, the office was closed—for want of occupation. New Zealand is like the rest of the world: there are no housemaids nor cooks.

As to woman suffrage, I asked many about it, and men and women seemed to agree that it is a good thing. The men said the women have notably improved political life; it is the cleaner and purer because of them. Women go to political meetings and rowdyism flees before them; candidates are very careful what they say and how they say it when they know women voters are listening to them. Public officers are more careful about their records, because it has been found that women will not overlook things that the men pardon. As to public policies, the women have steadily supported reform and the new ideas; they have not cared whether a thing was sanctioned by the ages so long as it was right and good. This is what the men told me. The women said they had not found it any more dreadful to go to a polling-place and vote than to go to a store and buy thread; they had never seen nor heard anything shocking at a polling-place,

but invariably they had been treated there with the greatest respect. The men said that most of them did not know how their wives voted. As for letting the soup burn and the children go hungry and woman's sphere and all that sort of thing, the New Zealanders despise any such suggestions about their voting helpmates. They say a woman can vote and understand perfectly what she is voting about and be just as good a wife and mother as if she never in her life had an idea above puddings. I don't know; I know I have seen a great many New Zealand households, and they seemed exactly as well ordered, as bright, cheerful, and happy as any other households anywhere on this terrestrial globe.

As for the allegation that with woman suffrage only the ignorant and unworthy would vote, that cannot possibly be true in New Zealand, because practically all the women vote, and it would not be safe to insinuate to any New Zealander that his womankind are not just as intelligent, well-educated, and fine-spirited as any women in all the world.

Even the Maori women vote in New Zealand. For years Maori men, the survivors and descendants of the body of savages that from 1869 to 1880 gave the British army one of the most stubborn wars in its history, have had a franchise; and now they all vote, men and women. They send four representatives to the New Zealand Parliament, and there are no more intelligent legislators—keen, quick-witted men, natural orators, excellent members, thus in one generation raised from the barbarian state by the simple operation of the free school and the franchise. Give democracy the glory!

Here are some little tables that may have interest for thoughtful inquirers:

PERCENTAGE OF WOMEN TO MEN VOTERS AT PARLIAMENTARY ELECTIONS IN NEW ZEALAND

1893	69.49
1896	72.78
1899	74.82
1902	76.86

DETAILED COMPARISON OF VOTING BY MEN AND WOMEN

Men

Year	Total Men in Colony	Men that Voted	Percentage of Registered Vote Polled
1893	179,539	129,792	69.91
1896	197,002	149,471	75.90
1899	214,773	159,780	79.06
1902	233,602	180,294	78.44

Women

Year	Total Women in Colony	Women that Voted	Percentage of Registered Vote Polled
1893	139,471	90,290	85.18
1896	159,656	108,783	76.44
1899	171,373	119,550	75.70
1902	185,944	138,565	74.52

These figures are recommended to the consideration of those that raise certain theoretical objections to woman's suffrage.

Many another view the dreamers had, fatal to the good old system of the Middle Ages, the system that produces want and superfluity, slums and palaces.

Work, in their view, is not a badge of slavery, nor drudgery, nor to be avoided as a bane, nor yet a privilege to be begged for and granted grudgingly, but the essential foundation of the welfare of the state and of the individual. They believed that without it there can be no physical,

mental, moral, nor spiritual health. Work, in their view seemed exactly as necessary to human well-being as air and sunlight and exactly as much of a right. All men, in their view, are entitled to it; every man without it is an injury to himself and to the community. Therefore, they resolved that in New Zealand should be no idle men, and at public expense and as one of the regular government activities they constituted a free colonial labor bureau, covering the entire country with its well-organized and well-equipped branches. At each of these branches any man and every man without work can freely register. But the government is not content with enrolling his name and hoping that in the ways of Providence some work will be found for him. It goes out cheerfully and finds the work—in the interest of public welfare and the Common Good. If no work offer in the place where the man is, then the government rakes the colony over (at public expense) to clutch the elusive job. All New Zealand is patrolled by colonial police, and every policeman, being also an agent for the Colonial Government Labor Bureau, is constantly watching for places where men can be put to work. Wherever, near or remote, a farmer wants a shearer, a tradesman wants an assistant, a contractor wants laborers, the rural policeman, mounted and moving daily upon his beat, hears of the demand and telegraphs it to the Government Labor Bureau, and the bureau, from among these daily reports, picks something available for every applicant. And if the place be far and the applicant be without funds, he can be helped to transportation: for the government owns the railroads.

That is one reason why New Zealand knows nothing about the problem of the "submerged tenth," and is not likely to learn of it—by experience.

If no work could be found for the applicant on farm, sheep-ranch, dairy-station, in factory, or other enterprise, yet the government would not suffer him to be idle, not for a day; it would put him to work on its railroads. It is always extending its lines, it has always something to be done. In the months of activity on the farms it uses in its railroad-building as few workmen as possible; when the farmers have little to do, it pushes forward the railroad-lines, and by keeping this balance finds work for all and does not hamper the farmer. It carries workers to the places of railroad-extension, and recoups their fares by instalments from their wages.

Bakers, blacksmiths, boilermakers, bookbinders, bricklayers, butchers, carpenters, shoemakers, tailors, clerks, hairdressers, motormen, molders, plumbers, engineers (stationary and locomotive), cooks, hotel hands, painters, masons, tanners, plasterers, upholsterers, and miners were among the workers for whom the New Zealand Government found employment in 1905—3,130 of them, all told, having 3,425 other persons dependent upon them. To save these 6,555 persons from the evil of idleness was a cost to the community, without a doubt, and to the comfortable, well-fed taxpayers. Also it was a violation of our accepted standards of the purpose of government. But in the view of these men, there is no purpose of government except to provide happiness, protect health, prevent misery, and build a nation of free, sane, wholesome, and kindly people; and they thought if they could do this they would bear up and try to get along without the standards.

In their view, again, fear is the arch-enemy of the human mind, and no life can be complete or sane or kindly when led under fear's shadow. They believed the fear of penury

in old age to be the most devilish of all the fear devils, originally responsible for the cruel, callous, and vicious things men do to gather fortune, and they resolved to cast it out of New Zealand at least. Mr. Seddon himself introduced the bill in 1898. I suppose I need hardly say that it provided additional sufferings for the representatives of formula and conservatism. Elsewhere, as in Germany, something had been done to inaugurate a compulsory self-insurance against old-age incapacity, but nothing like this had been attempted anywhere. All duly qualified persons reaching the age of sixty-five years were declared by the bill to be entitled to pensions from the state (if they were not in receipt of an income of more than $300 a year), and this without any previous subscriptions, payments, or contributions. Qualifications besides age and need were declared to be that the applicant should be a citizen of the colony, of twenty-five years' residence, good moral character, and respectable life. To such persons the government pays a pension of $130 a year less $5 for every $5 of independent income beyond $170, and $5 for every $50 of net accumulated property.

Here is the way the pension operations look:

NEW ZEALAND PENSIONS

Table of Operations Under the Act

Year	Number of Pensions Granted	Death *	Number in Force	Liability Each Year
1899	7,487	38	7,433	$127,319
1900	4,699	786	11,285	193,718
1901	2,227	815	12,405	211,965
1902	1,694	935	12,776	217,192
1903	1,391	,064	12,481	211,594
1904	1,063	928	11,926	200,915
1905	1,210	890	11,770	199,001

*Some pensions were also canceled in each year for various reasons.

In other words, the dread of penury is lifted from New Zealand, no poorhouses are to be there, no man need fear that in his old age he will be a burden or in want.

These men believed also that the business of the state is in all ways to look after the welfare and security of its citizens, even when custom has decreed against state interference with personal affairs. Therefore, they created the office of Public Trustee.

I think the Public Trustee ranks high among the innovations of New Zealand reform. His chief function is to take charge of bequests and estates, and to administer them for beneficiaries and heirs. Thus a man may in his will leave his property, or any part of it, in charge of the Public Trustee, who will, without charge, invest the money, take care of the property, and collect and pay over the income, while for both principal and interest the state is responsible.

In other words, there is to be in New Zealand no looting of estates through incompetent or dishonest trustees, no inheritances wasted by bad investments; but every man can feel that when he dies, his accumulations, great or small, will be perfectly secured for his family.

As an indication of the view that in this prosperous country is taken of the sole function of government, I will give here one illustration of a score that are available. As the New Zealand cities began to thrive under the magical touch of good wages and an even distribution of wealth, the government noticed that in some places, in Wellington particularly, the landlords had a tendency to advance unduly the scale of rents. So it set to work directly to checkmate that. It bought a tract of land near Wellington and is now erecting upon it a new suburb,

a city of its own. As the excellent street-car system of Wellington is publicly owned, dwellers in the new city will be assured of cheap and efficient service in transportation; but there will be other attractions. Cottages will be rented at low rates, some as low as $1.25 a week, and the rental will be in each case a payment upon the house, which in time will thus become the tenant's property. Meanwhile the rental carries a policy in the government life-insurance.

The force of paternalism could no further go.

Finally, the operation of the graduated land-value tax to check undue accumulation of wealth is aided by a graduated income tax, not so good, I think, as that of Switzerland, but still sufficient. All incomes of less than $1,500 a year are exempt from taxation, and, except in the case of stock companies, all taxed incomes are entitled to $1,500 of exemption, so that a man with $1,550 income pays on only $50. These are the only exemptions. The rate on the first $5,000 of taxable income is twelve cents on every $5; on all incomes in excess of $5,000, and on all the incomes of all stock companies, great or small, twenty-four cents on every $5.

And this is the little law that settles the business for the corporations. There is no tax-dodging in New Zealand, and with such an income tax, with such a land-value tax to prevent land accumulation, with the government empowered to seize any land it wishes to seize, and with all the transportation facilities out of the chance of private control and manipulation, trusts, combinations, and great corporations have never secured a foothold in New Zealand.

And on the other and human side of all these matters I note three significant facts, and I wish I could make you

think of them and take them home and carry them always in a corner of your mind.

1. The death-rate in New Zealand is the lowest in the world.

2. Because all people have something to buy with, the noble and beneficent idea of Coöperation has there its full scope and perfect use.

3. What we call the social evil, that sure product of poverty and inequality, is there almost extinct.

CHAPTER XXXIII

LIFE IN A COUNTRY THAT KNOWS NOT GRAFT

NEW ZEALAND could never have a life-insurance scandal like ours nor a fire-insurance crisis like that in San Francisco, because in New Zealand both kinds of insurance are done by the state—for the public benefit.

Government life-insurance had existed several years when the reformers came in, but they extended and improved it. All standard varieties of policy are issued; all policies of whatever kind are absolutely guaranteed by the state. On a thirty-five-year, highest-grade endowment policy for $500, beginning at the age of twenty years, the annual premium is $12.35. On a twenty-year policy of the same grade and amount the annual premium is $22.27. A board of cabinet and other state officers invests the assets. On January 1, 1904, these investments were $18,057,495, mostly in approved mortgages on unencumbered real estate. Every three years the department distributes among the policy-holders the net proceeds of these investments. So far in its history it has thus distributed $5,006,425: the distribution on December 31, 1903, amounting to $839,665. In the light of these facts the Hyde dinners, the colossal fortunes of the McCalls and McCurdys, the "yellow dog" funds, and the rest of our insurance graft do look rather mean and shabby, do they not? Of course this is (as yet) a small country; but the government insurance office has about 50,000 policies in force, being one-half the number of all kinds existing in

New Zealand, where the average of life-insurance is said to be the largest in the world. The value of the policies carried in the government insurance office is about $55,000,000.

The same department transacts the business of a casualty company, and for small periodic payments assumes all liabilities arising from accident or injury.

As to the fire-insurance (an innovation of the reformers), as soon as the government office began to do business, all the private companies reduced their rates from twelve shillings and sixpence to eight shillings in the hundred pounds—for these were the government rates.

There never can be in New Zealand any Coal Trust nor any manipulation of the coal market, nor any coal shortage to rig stocks, nor any robber prices for coal, because the government owns and operates great coal-mines for the Common Good, and keeps up the public supply while it keeps down the price. Even at the moderate charge it makes, the government reaps an agreeable profit from its coal-mining operations. In its mines at Point Elizabeth and Seddonville its investment is $320,906, on which it made last year a profit of $55,212. After all deductions and charges this left a net profit of eight per cent. on the investment. Originally the intention was to use these mines as a check on the greed of private mining companies, but within the last three or four months the government has scattered its sale agents through the towns and villages, reduced the price of coal, enlarged its output, and seems now on the way to absorb the entire coal business of the country—just as the government of Japan absorbed the tobacco business, and other things, you may remember.

In New Zealand there can never be any railroad rebates, secret rate-making, cut-throat discriminations, terminal railroad frauds, thievish switching charges, nor swindling private-car graft; and in New Zealand the railroads can never be used to build up any "Systems" nor Standard Oil Companies nor Beef Trusts nor any other piracies, because the government owns or practically controls all the railroads, and operates them on one flat flint basis of equal, uniform ,and invariable rates.

Two lines still have private ownership, the Wellington & Manawatu, eighty-four miles long, and an infinitesimal piece of track in the South Island; but these are operated in daily awe of a rigid government inspection, and in due season will fall into the government's lap. Meantime the government makes the rates on these lines as well as on its own, makes them just as it makes the prices of postage-stamps, and as it sells postage-stamps so it sells transportation.

We are accustomed to think that about railroad rate-making there is some strange and awful mystery, that to make railroad rates a man must go into a trance and commune with spirits or something like that, and that if the government should ever try to fix the rates, some frightful disaster would follow. They do not seem to have such fears in New Zealand. There the government makes all the rates. In plain daylight, Mr. Hill. On a mileage basis. All a shipper has to do is to calculate his mileage and he has his rate. If he can show that either of the private companies has charged him more than the rate on a government railroad for the same distance, he can go into court and collect the difference, in about ten minutes. And the company will have to pay, and there will be no appeal for it and no stay. Also, the government orders

it to reduce its rates. And it reduces them without waiting to discuss the matter. Because in New Zealand public-service corporations being regarded as the creations and not the masters of the state, the state can at any time put them out of business. Can, and does, as you shall see.

The government policy has always been to build, own, and operate the railroads, but sometimes in the old conservative days private capital sneaked in. One of these good things developing in the South Island, the Midland Railway Company was organized to work it and build 125 miles of track into a new country. When the reformers took hold of things they found that the company had violated in some particulars the provisions of its charter. The government wasted no time in negotiations, but swooped down upon the property. Kindly note that in the essentials of the transaction it paid no attention to stock or stockholders, but compensated only the bondholders, for these had actual claims. Real estate and rolling-stock it took over at a price determined by arbitration. Once in possession, the government conceded to the stockholders this much, that for five years it would operate the road for their benefit; but as the profits will be small, if any, the outlook for the stockholders is not alluring.

In all this government was perfectly within its rights as nominated in the charter; it had merely lived up to the letter of the law, unawed by possible consequences. You may remember that we fared very differently in the case of the defaulting Union Pacific.

The railroads of New Zealand are administered for the public benefit, not for profit. The government draws a line at three per cent. of annual returns on the investment, and beyond this all profits go to the public in the shape of reduced rates. As the business annually increases with

the development of the country, each year sees further reductions, although for some time the rates have been among the lowest in the world; and the last I knew of it the government was actually carrying fertilizer (in carload lots) for the farmer free of charge.

I give some specimen figures of government railroad operation in New Zealand:

Year	Miles of Line	Total Revenue	Net Revenue
1891	1,842	£1,121,701	£420,998
1895	1,993	1,150,851	418,691
1900	2,104	1,727,236	571,533
1904	2,328	2,180,641	741,917
1905	2,374	2,209,231	716,331

Telegraph and telephone systems are also government enterprises. Telegraph rates are low, twelve cents for twelve words anywhere in New Zealand; and while the government loses nothing on its telegraph business, it clears therefrom no profit. Telephones have done better; last year the government netted from its telephone service $40,091.12 on rates that seem to us merely absurd, to wit, $25 a year for an unlimited service. Being cheap, the telephone is a widely used convenience. In Wellington, a city of 55,000 inhabitants, are 2,400 telephone subscribers and that is a typical proportion—in New Zealand.

It is easy enough to deal with theories and to show that ruin must needs be the portion of any nation that departs from the accepted doctrine of governmental functions, but somehow, when you come to New Zealand, all the theories go glimmering. Ruin should have been the portion of

this perverse and revolutionary country; the utmost prosperity has been its lot. Figures are dry reading, but without them you can have no true idea of what economic heresy has done this first time it has had a chance. I will give as few as may be, but these I beg you to note well, for they are worth more than centuries upon centuries of theory-spinning.

Inspired prophecy at the beginning of the innovations, as I have said, clearly foresaw the decline of population and the wreck of commerce. Well, here is the way the population has dwindled. In 1885 the people of New Zealand numbered 575,172. In 1891, when the reformers came into power, the population was 634,508. In 1904, after thirteen years of reform administration, it was 857,539. To-day it is just under one million. From 1885 to 1891 the average annual percentage of growth was 1.70. From 1891 to 1904 the average annual percentage of growth was 2.33. In the year 1904 it was 3.01. In 1885 2,744 more persons left New Zealand than came to it; from 1885 to 1892 the departures were 17,194 more than the arrivals, so that in the happy period of feudal government only the excess of births over deaths kept the colony from drying up. From 1892 onward, every year shows an excess of arrivals over departures, ranging from 895 in 1895 to 10,355 in 1904.

And here is the sad way commerce has gone to pot. In 1888 the exports of New Zealand produce amounted to £7,255,128; in 1891 to £9,400,094; in 1904 to £14,601,787. In 1890 the imports into New Zealand were worth £6,260,525; in 1901 they had risen to £11,817,915, and in 1904 to £13,291,694. The total trade of New Zealand was £13,709,225 in 1888, £16,070,246 in 1891, and £28,040,042 in 1904. The total trade for each head of

population was 22 pounds 12 shillings and 11 pence in 1888, and had risen to 33 pounds 3 shillings and 8 pence in 1904. Trade with the United States increased from £710,872 in 1895 to £2,126,836 in 1904. Savings-bank deposits doubled in the ten years from 1894 to 1904. In 1880 the deposits in commercial banks amounted to £18 for each head of population, in 1890 to 19 pounds and 9 shillings, and in 1904 to 22 pounds and 10 shillings. The revenue of the country has increased from £4,556,015 in 1896 to £7,343,197 in 1905. Ah yes: the prophets of evil were well supported by the weight of awful authority and accepted doctrine, but the dreamers on their side seem to have won all the facts.

THE "RUIN" OF NEW ZEALAND UNDER ADVANCED LEGISLATION

	1894	1899	1904
Population	686,128	756,505	857,539
Excess of arrivals	2,253	1,887	10,355
Imports	£6,788,020	£8,739,633	£13,291,694
Exports	£9,231,947	£11,938,335	£14,748,348
Total trade	£16,019,067	£20,677,968	£28,040,042
Trade per caput	23pds 11s 9d		33pds 3s 8d
Vessels entered, tons	631,100	811,183	1,154,569
Vessels cleared, tons	631,250	807,866	1,144,700
Government railroad revenue	£1,150,851	£1,623,891	£2,209,231
Gold output	£887,865	£1,513,180	£1,987,501
Frozen meat exports	£1,194,545	£2,088,856	£2,793,599
Butter exports	£251,280	£571,799	£1,380,460
Manufactures exported	£224,958	£378,066	£896,362
Coal mined, tons	719,546	975,234	1,537,836
Savings bank deposits	£4,066,594	£6,128,297	£8,831,307
Discount bank deposits	£12,368,610	£15,570,610	£19,074,960
Cultivated land, acres	10,128,076	12,474,571	13,868,074
Life insurance policies, government	32,907	39,366	44,194
Land holdings, over 1 acre	46,676	62,485	68,680
Income tax paid	£89,991	£115,480	£221,269

The statements of the discount banks afford probably as good a measure as can be found of the country's condition and progress:

Year	Deposits	Assets	Liabilities
1857	£343,316	£419,860	£432,494
1870	3,127,769	6,315,354	3,819,670
1880	8,538,935	14,220,275	9,550,177
1890	12,368,610	17,735,259	13,356,598
1900	15,570,610	17,314,535	16,964,582
1904	19,074,960	20,893,096	20,643,359

One set of statistics, indeed, shows a notable decline. In 1896 the bankruptcies in New Zealand numbered 412, with total liabilities of £256, 870; in 1903 there were 204, with total liabilities of £88,019.

No, the real danger in all this is not that capital will be withdrawn nor that industry will languish, for these notions have been shown to be the sheerest delusions. The real danger is something quite different. Undeniably there is in the Anglo-Saxon blood a certain taint of man-worship: we are wonderfully prone to excessive adulation of the man that we think secures our success. In Mr. Seddon's day it used to startle Americans to see the pinnacle on which he had been placed, the public calendars with his birthday marked as a notable occasion, the principal events of his life set forth, the achievements of reform listed and ascribed to him as if he had waved the magic wand and made the mills turn and the earth produce, and as if to him alone were due the fine and indomitable traits in the New Zealand people that wrought this memorable example of righteous government. There was too much Seddon. Also, it is sobering to observe that, although the New Zealanders would never tolerate any grave

perversion of power, the premier of New Zealand has much opportunity, if he choose to use it, for political mischief. He could, for instance, create a majority in the upper house, he could pervert the land-purchase act into a political engine of evil efficiency; probably he could organize the railroad service into something of a personal machine. With all their wisdom and astuteness the New Zealanders have certainly left these doors open upon themselves, a carelessness of which the Swiss would never be guilty. But the Swiss have democracy in the marrow of their bones, and the New Zealanders have only of late been inoculated with it.

CHAPTER XXXIV

AND THESE ARE THE RESULTS OF THE "FATUOUS DREAMING"

WHAT, now, do all these strange innovations, these departures from our safe and beaten way to Whitechapel, mean for the life of man? For that is the question supreme above all trade statistics and census reports. Let me tell you. I know that in a country where so many things are done by the state I ought to find less incentive to individual effort; I ought to find that young men lack a spur to energy and enterprise, that the edge of invention is dulled, the taste of life insipid, the pool gone stagnant. This is what I ought to find in any country deprived of the blessed inspiration naturally pertaining to trusts, Standard Oils, and "Systems." But this is not what I really found. There is no stagnation in New Zealand. Go into any of these busy, growing cities, Dunedin, Christchurch, Wellington, Auckland: the tides of life pour through their steeets with all the restless energy and swift animation of the quickest-pulsed American city. Take note of the earnest, eager faces, the rapid despatch of business, the rattle of hammers on innumerable new buildings, the extending suburbs, the crowded piers, the evidences of resolute and far-visioned enterprise. These people lack not incentive; they toil and aspire and strive as mightily as any other inhabitants of this our globe; it is obvious to any observation; you can see it and feel it. The young men seek and make careers at least as

assiduously as other young men, as assiduously as if their lives were brightened by the sweet hope that if they were good when they grew up they might be hired men or valets for the Standard Oil Company.

Furthermore, there seems to be small danger that the low, common people, released from the necessity of sweating fourteen hours a day for bare subsistence, will utilize their leisure for mischief and deviltry. All the people of New Zealand are low, common people, and the kind of mischief their leisure breeds in them may be readily observed anywhere on a weekly half-holiday. Then you can see the public libraries crowded to their utmost limits with workmen just emerged from the shops, you can see the cricket-fields thronged, the shop-girls swarming to the parks and excursion places. In any of these towns on the weekly half-holiday the streets are like Sunday; for every shop must be closed at one o'clock, and all the employees off the premises. These clear, rosy complexions and stalwart forms, this abounding health, these people with elastic tread and hopeful faces, seal the blessing of the new system. Life is wholesome here; it is sound and sweet and fresh, like a good apple. "It is better to have more health and less wealth," is the favorite aphorism of the men in the government. In all New Zealand there are no unhealthy employments, no dark or crowded factories, no vitiated air, no long hours of soul-destroying labor, and for all persons is enough of food, comfort, rest, and recreation.

Some minor incidents remain in my memory as illustrative of these new conditions, and for all I know they may serve better than would many pages of matter to indicate what I have tried to tell. The first relates to the humane and enlightened prison system of New Zealand, of which

I am told, the first object is to reform and save more than to punish. I observed that the convicts appeared to be lightly guarded and so far as I could see the men in charge of them were not armed. I said to the Member of Parliament that was kindly acting as my guide:

"Don't these men sometimes get away?"

"Oh yes," he said, "they get away. But they always come back."

"Why? Are they so fond of the prison life?"

"No. But you see they have no money, and must ask for assistance. And in New Zealand when a man asks for assistance people know that he is a convict and send for the police. No one else ever begs here."

The convicts go out in bands to the forest to fell trees, and the guards in charge of them are armed only with canes.

New Zealand has an admirable Health Department; I have not heard of a better. It is under the direction of Dr. Malcolm Mason, Chief Health Officer. When he was chosen for the place Dr. Mason was looked upon as the most promising physician in New Zealand. He had before him a prospect of success such as few men of his profession have had. He gave up all that, the certainty of wealth and distinction, to serve in the army of the Common Good at a salary less than half of his income from his practice and a small fraction of what his income would soon have been. He gave it all up to go and be of use to the Community. And it was not thought strange that he should do such a thing. Because in New Zealand, where the idea of the Common Good has been well planted, to be of use to the Community is really held by some persons to be more desirable than to accumulate riches.

The head of the Labor Department of the Government,

Mr. Edward Tregear, is a very learned man of unusual attainments, the compiler of the great standard Polynesian dictionary, and, I suppose, one of the foremost living authorities on Polynesian history and antiquities. He gave up a literary career to serve for a small salary in this same good cause; gave up all to be of use and to further the Common Good. It has been so very often with the men that have contributed to the re-making of New Zealand. And I cannot see how it is possible to deny that the controlling spirit there is very different from the controlling spirit in our public life, or to obscure the fact that the source of the difference is the slowly gathering power of this idea. There is less selfishness, far less political chicanery, far more sincerity and personal integrity in public life. Beyond any question politics is vastly cleaner and more wholesome; as a rule public trusts are far more faithfully performed.

So in the face of obstacles and criticism and fault-finding and disbelief, and against such powers of convention and custom as impede us, New Zealand has gone thus far upon her way. She has still much, very much, to do, for every step forward only reveals other needful steps; always that is the condition of progress. I doubt not she will find that some of the things she has done will need correction and all will demand progressive improvement. But at least this has been demonstrated that the most obvious evils of the conditions under which we live are unnecessary, and in that demonstration the rest of the world can find hope.

To build a nation of strong-bodied, clear-minded, kindly men and women, intelligent, at once, and generous, progressive and still not predatory, industrious and thrifty and still decent, that was in the beginning the New

Zealand idea; and no man can travel in this country and fail to see its success. It has done all these things and something more; for it has shown that life is not necessarily a hideous battlefield on which each man lives by the slaughter of his fellow, that the slum is superfluous, poverty is not inevitable, and there are better uses for human life than to spend it in piling one dollar on the top of another.

CHAPTER XXXV

A SKIRMISH ON THE FIRING-LINE

ONE day, when Richard John Seddon was Premier there came to his office in Wellington a stately gentleman of the greatest consideration, who had to communicate to the head of the government a matter of importance. He was lately come from England, where he was chief owner of a prosperous manufacturing enterprise, and he was willing to impart knowledge that he purposed to favor New Zealand with a great branch factory that would employ an army of workmen and spread far around the blessings of prosperity. Also to say other things. Now, New Zealand is eager for new industries. Hence the gentleman not unreasonably looked upon himself as a benefactor and a popular person.

Incidentally, I may observe that one of the products of this gentleman's beneficent factory is an immense quantity of poisonous offal that in Merrie England he dumps into a convenient running stream, and another is a quantity of poisonous gas under which his workmen and workwomen wither away and are slowly murdered. In New Zealand, where it is really believed that the injury of one of us is the concern of all of us, where people do not think it necessary to kill other people in order to be prosperous, where the first care of the government is given to those that most need care, there is a very stringent law against depositing any kind of refuse, offal, garbage, or pollution in any stream or body of water. No municipality nor individual

nor even a big thieving corporation that has fat campaign subscriptions to offer, can use any stream for a sewer. And the chief object of the stately gentleman was to induce Mr. Seddon to connive at the violating of this law.

He had much to say, and Mr. Seddon listened with an inviting patience while his visitor dwelt eloquently upon the great advantages the new factory would bring to the country, how it would afford employment for so many thousands, and use so much of New Zealand's materials, and attract so many allied industries, and build up so much commerce; if only that law about open sewers need not be enforced. And when he made pause at last, Mr. Seddon looked up sweetly and said:

"Oh, no; you can't do that."

So the stately gentleman began again and rehearsed his story with still more force and eloquence, and when he was at an end, Mr, Seddon said just as before:

"Oh, no; you can't do that."

At this the gentlemen lost his temper. He rose angrily and, towering above Mr. Seddon, he said:

"Very well; we shall not bring our factory here at all then, and your people will lose all this great business!"

And Mr. Seddon gently tapped together the ends of his great fingers and said:

"I hope, dear sir, you will not let that fact cause you too much distress. I understand that there are still places in this world where you can poison people. But you cannot poison them in New Zealand."

There was the whole situation in a nutshell. I could by no chance hit upon words better fitted to end this inquiry with one illuminating summary of the whole matter. Into one phrase Mr. Seddon had compressed the economics of the rest of the world and the economics of New Zealand.

"There are still places where you can poison people; you cannot poison them in New Zealand." Why should we poison them anywhere? Why should there be any place on earth where human life is worth less than in this practical Utopia of the South Seas? Why should there be any place where men are less decent, less kindly or more willing to throttle one another for a handful of dollars? It is well to have factories and more business and more commerce; New Zealanders know that. But they have resolved that if they cannot have factories without industrial insanity, without piling up around them such earthly infernos as Paterson, New Jersey, and Birmingham, England, without having open sewers like the Passaic and disease-breeders like the Merrimac, without great populations reduced to mere brutality and rat-hole living —then they will not have factories at all.

And upon that rock we shall some day have to stand. We may admire it or abhor it; we may argue against it until we are blue in the face; we may disprove it with all the learned theorists beneath the sun. Still to that one proposition we shall come back at last, that in a perfectly cold-blooded view, merely as a plain business principle, not one of the triumphs of that industrial development in which we have gloried is worth having if it involves unsanitary conditions or the madness of competition that carries one man to superfluity and a thousand men to hell. "It is better to have more health and less wealth," says the New Zealand proverb. True words. And if all these memorable changes mean anything, they mean a progression to exactly that statement as the first fundamental of a genuine civilization.

CHAPTER XXXVI

A FEW PRACTICAL COMPARISONS

SUPPOSE that for the moment we put aside every other consideration of these matters and look at them solely from the points of view of physical comfort, of the external accessories of life, and of common and public honesty.

We are, let us say, in a great American city, Chicago, for an example, at five minutes past six o'clock in the evening. Here come pouring out of the office-buildings and work-shops throngs upon throngs of workers, men, women, and children that must be transported to their homes. For reasons of their incomes they must needs live at a great distance from their employment, and there is no conveyance except in the cars of the local street-railroad company. Having, through a merely swindling device called a franchise, secured the exclusive right to use the public highways for this purpose, the company has a monopoly of the traffic. And the gentlemen that manipulate the company having for their sole profit issued vast quantities of watered stock, fictitious bonds, and baseless securities, their desire to earn an income on this false capitalization results in an insufficient service. About one-third as many cars are run as are needed, that expenses may be kept down and revenue enhanced.

The people stand in crowds at each corner waiting for the infrequent cars. Although it be winter, with snow or sleet or a howling gale, and although these people have

Photograph by Kinsey, New Zealand

HON. EDWARD TREGEAR
Chief Secretary for Labor in the New Zealand Government

THE TRIUMPH OF DEMOCRACY

TE WHIO

A typical Maori leader of the last generation. His people, though very intelligent, were semi savages

MR HENARE KAHAU

A typical Maori leader of this generation member of the New Zealand Parliament

just come from the poisoned and overheated atmospheres of stuffy shops, still they must stand there, waiting on the pleasure of the company that has possessed itself of their streets. Some walk far up the line to catch a coming car, as if it were a rare and delicate privilege to ride home; and some stand and shiver.

When a car comes, a riot ensues. Men and women fight like maniacs to get aboard; with arms, hands, elbows, body to body, snarling and gouging, they struggle with one another as their ancestors in the jungle fought and clawed for food. If they cannot win entrance to this car they must wait long for another. The car is filled to three times, four times its normal capacity. Men, women, and children, young girls from the sweat-shops, clerks and day-laborers, are hurled and forced and jammed together until hardly can they breathe for the pressure around them; a fourth of the company sitting down, the rest standing, slung hither and thither by the motion of the car; the platforms jammed, men clinging with toes and fingers upon the very coupling arrangement in imminent peril of their lives.

Upon a track old, worn, and out of repair, the car tosses and pitches like a ship at sea, making a thunderous racket. It is filthy, unsanitary, reeking with germs, badly lighted, and would be uncomfortable even if it were only moderately filled. The employees, being badly paid, badly treated, overworked, and underfed, are surly and indifferent. All the apparatus is antiquated and inefficient; the company cannot provide an efficient plant and at the same time pay dividends on that fraudulent stock.

Inside the car the passengers suffer both torture and indignity. Women that have been on their feet all day toiling like galley-slaves for the equivalent of a crust,

toiling to be decent and keep out of the pit, these women stand for an hour maybe, tormented as if upon the rack. The ventilation is bad, the crowding is gross, bestial, and degrading, the enforced physical contact is vile. Every instinct of respect for womanhood protests against it as a thing intolerably offensive; every instinct of common decency revolts in disgust. That we endure it for so much as a day brands us before the world as a nation of boors, and silences every reply to the sneering scoffs of foreigners. In not another corner of the globe, civilized or savage, would such things be allowed. You could not with impunity so degrade and insult women and torture children in Fiji or Butaritari.

Yet these are the scenes that are enacted every week-day in almost every American city. In New York the street-car company operates fewer cars in 1906 than it operated in 1905 and carries more passengers and makes more money; and when the public complains, the managers laugh, and inquire what the public is going to do about it. In Brooklyn the street-car company ostentatiously violates a decision of a justice of the Supreme Court and hires men to assault passengers that desire to have that decision respected. In New York the management of the company, consisting in part of gentlemen that ought to be in the penitentiary, cheats the government of some annual millions and seems to regard that feat as another good joke. In Chicago the right of the company to hold and possess most of the public streets it occupies expired nearly four years ago, and the Supreme Court of the United States has twice so decided. And yet so powerful has the company become through the wealth it has wrung from the citizens that it has not been expelled from the streets to which it has no legal right, nor been

made to stop robbing, squeezing, and manhandling its passengers, nor forced to show the least regard for either law or the Supreme Court decisions. I suppose I need hardly point out that this is a condition of Anarchy, pure and simple; but this is exactly the situation that exists in one of the most intelligent and progressive of American cities. No doubt the eminent gentlemen that are responsible for these things would be grieved and shocked if they were to be designated as more dangerous Anarchists than were ever bred in any slum of Europe, but that would be only a sober statement of fact.

That is America, under the rule of the idea of Private Gain. Now, in the light of what we have observed in these travels let us recall how these things are managed under the idea of the Common Good. We are in Manchester, England, let us say, at the close of the working-day. Here is again an immense working population, men, women, and children, to be transported quickly and simultaneously. The great traction system of Manchester, one of the most wonderful and admirable of the works of men, radiating to every part of the surrounding human hive, is the property and chiefly the creation of the city. It is operated for the people, not for a combination of stock-gamblers and highwaymen. There is an ample supply of cars everywhere, there is no rush, no crowding, no rioting, no fighting, no jungle. Every passenger has a seat; no one is allowed to stand. The cars are scrupulously clean and well lighted. The employees, being decently paid and decently treated instead of being kicked about like dogs, are courteous and obliging. All the apparatus is of the latest design and efficiency. The track is perfect; the cars move without a jar and almost

noiselessly. The people go comfortably and sanely to and from their employment, and they know that of the money they pay for their transporting the profit is returned to them through the public treasury.

That is Manchester, under the idea of the Common Good, and it is practically every city in Great Britain or on the Continent where the Common Good has had a chance.

Or take our railroad problem. We have allowed these great corporations, now chiefly owned by six or eight men, to go on year after year, building trusts, violating any law that stands in their way, giving rebates, ruining small dealers, deviling politics, controlling elections, and absorbing power. When we wake up to some of the monstrosity of this thing, it takes months upon months to pass a law that will even nominally confine or regulate its operations, and when with prodigious effort the law has been passed we find that it is a huge fraud, really drawn in the interest of the very power it was supposed to restrict. The railroad company corrupts every fount and channel of American political and public life. The foulness of its influence is felt in every community from the smallest hamlet to the largest city. Politically, it is an unmitigated and almost unlimited power for evil. Commercially, it is in the last analysis organized chiefly for plunder. It is always overcapitalized, and the dividends on its fraudulent capitalization it wrings from the public by means of two species of robbery, to wit, high charges and bad service. It murders people on its needless single tracks and on its criminal grade-crossings. It exists for one purpose and that is to gouge and swindle and lie and steal and break all laws, if need be, but to get dividends. It controls almost every political convention, nominates almost every candidate,

and befogs and muddles for its own benefit almost every election issue.

That is America, under the idea of Private Gain. Go back again to Germany, Switzerland, Australia, New Zealand, under the idea of the Common Good. Why is public and political life in these countries so much cleaner? Why are the elections free from corruption and the political parties from the reproach of money influence? Why are there no bosses in Switzerland, no machines, no huge campaign subscriptions, no boodle, no bribery? Men are the same all about the world; to talk about the responsibility of racial difference is folderol. If bosses were possible in Switzerland, Australia, and New Zealand, those countries would have them in abundance. The reason why none exists there is because these countries have abolished the chief source of corruption by abolishing the transportation company.

We pay for our peculiar railroad system in corrupted politics, and we pay for it again in an inefficient and defective service, in unsafe means of travel, in extortionate charges and in overshadowing fortunes. That is America under the idea of Private Gain. In Germany, under the idea of the Common Good, the people have good service instead of bad, low prices instead of high, and the profits are turned into the public treasury instead of into private hoards.

In New Zealand you can ship a car-load of fruit 300 miles in a refrigerator-car and the total charges for freight, use of refrigerator-car, icing, and re-icing are $6.50. In New Zealand, where the railroads are operated for the Common Good, it is held as much the duty of the road to deliver in good condition the fruit it transports as to deliver uninjured the furniture it transports. For years

some such idea prevailed in America. With the advent of that genial philanthropist, the Beef Trust, this was changed, the refrigerator-car began its true career as the bandit of commerce, and now, under the rule of Private Gain, unlimited and unrestrained, the icing charges alone from Lawton, Mich., to Chicago, 120 miles, are $25. I give some other figures that indicate the extent of our tribute. They should afford food for thought when compared with the New Zealand rates. They represent merely icing charges, not freight, it should be observed:

	Distances, Miles.	Charges.
Fennville, Mich., to Chicago	137	$25.00
Decker, Ind., to Chicago	247	45.00
Plainville, Ga., to Cincinnati	404	52.50
Plainville, Ga., to Louisville, Ky	338	52.50
Wilmington, N. C., to New York	597	60.00
Gibson, Tenn., to Chicago	522	84.00
Plainville, Ga., to Indianapolis	528	57.50
Humboldt, Tenn., to Chicago	500	84.00

Eighty-four dollars for refrigerating a car traveling 500 miles. That is America. Six dollars and fifty cents for freight and refrigeration in a car traveling 300 miles, That is New Zealand. Can it be doubted that we are the wise people of the earth?

There is, to be sure, another side to this story. The New Zealanders, it is undeniable, get their transportation at very much cheaper rates than we get ours, but they are deprived of the happiness of knowing that they are adding to the private fortunes of the interesting Armour family; and it must be for the sake of this reasonable happiness that we submit with gladness to an imposition so gross.

And here we come upon a very curious matter. We admit and with sad faces we deplore the corruption of our

politics and legislative bodies, but we have some inexplicable aversion to the means that have purified the politics and legislative bodies of other nations. We denounce the bosses and uphold the corporations that alone create and maintain the bosses. We cry out against the machines, and protect the corporations that finance the machines. We know that the corporation laws of Germany, Switzerland, and most European countries would have made our insurance scandals impossible, but we will not ask for any such laws in our country. We see the government of New Zealand operating the best and safest insurance scheme in the world, but we will not ask our government to do anything of that kind. We see the governments of Germany, France, Switzerland, Australia embarking upon beneficent old-age pensions, working-men's insurance, and other provident innovations; we will not suggest any such beneficence for ourselves. The strangest mystery that confronts any traveler in this and other countries is that, alone of all peoples, we are not touched by the world's movement.

Yet, we know, of course, that we do not deliberately choose to have bad conditions instead of good. Suppose we could get before the people squarely and definitely and for all time the plain questions involved: Do you wish to be robbed by your traction company? Do you care to be mauled by the Brooklyn Rapid Transit ruffians? Do you like to have the Subway Company defraud the city of its just revenues? Do you really prefer bad service to good service? Do you like to be crushed in an overloaded car? Do you think such spectacles as can be seen every night at the New York end of the Brooklyn Bridge are consistent with decency? Suppose we could submit such questions to the popular vote and have the votes

fairly cast and honestly counted, there would be no doubt as to the popular verdict, would there?

That is plain enough. But thanks largely to the gentlemen that 120 years ago thought this country ought to be a monarchy, you can never in any such way get any such questions to the public. In America the only way you can submit issues is through candidates and parties, and the moment they are so submitted the organs of public opinion that are owned or controlled in the interest of the corporations begin with infinite skill to distort and disguise the issue. They tell us that the real question at stake is the blessed tariff, or supporting the President, or the color of a candidate's hair, or what his grandmother believed, or whether he wears pink shirts, or something like that; and they tell us this so vociferously and fool us about it so ably that we march up to the polls to settle the pink-shirt question and totally forget the question of good service or bad service, of honesty or theft.

But in Switzerland, where there is a genuine instead of a nominal democracy, you cannot play any such game as that. There the plain question comes without disguise or distortion straight to every voter. Do you wish to be robbed, or don't you? Do you wish to be thrown on your head for obeying a Supreme Court decision, or don't you? And the verdict of the voter is the last word on that matter. So that the first step toward putting an end to the robbery and the crushing would seem to be to give the control of their affairs directly into the hands of the people and take it away from the robbers. And in a survey of the world's progress there is no lesson to be learned more important than the immense potency of a purely democratic form of government to do away with the ills that beset us. It is behind the bulwarks erected in our system to curb and

thwart the popular will that all the dishonest corporations find protection. So long as the corporations select our public officers and frame our laws, the idea that we can make any headway against them is a mere dream.

All these considerations have nothing to do with any theories. Here are the naked facts, as certain as day and night, that other cities than ours do get along without strap-hanging, without crowded cars, without anarchistic corporations, without the debauching of official morality by vested interests. Other countries than ours do get along without railroad rebates, corporation graft, or corporation interference with public affairs. And so long as that is so, the condition of our public services is an indelible disgrace for which no ingenuity can devise an excuse.

CHAPTER XXXVII

THE WORLD'S AWAKENING

SO FOR these problems that impend above us, for the threat of accumulation, the threat of undue and unnatural power in the hands of a few men, the imminent peril of too much and too little, the cancer of the slum and the dry-rot of the palace, the monstrous crimes of greed and the sufferings of need, for the irresponsible and unlicensed power of the corporation, the scandalous misuse of wealth and the growth of poverty, for the corruption that undermines free government, for the menace of revived feudalism and the spread of reactionary principles inseparable from the concentrating of great wealth and the narrowing of opportunity, for all this the rest of the world is moving toward one remedy.

No one can observe with other eyes than those of a fish the trend of progress and not perceive that elsewhere than in the United States men are coming to the conclusion that modern conditions and modern industrial concentration have rendered useless the old theories of government, and that for the ills modern conditions create, two things must be done.

First, to substitute the interests of the community for the interest of the fortunate or powerful individual;

Second, to restrain Greed, not by regulating it but by making impossible some of its most obvious and dangerous operations.

We can call this by any name we please. Names are

not important. All I care about is that the movement is unmistakable, that it has every appearance of one of those epoch-making upheavals that are ever afterward landmarks of history, and that, except for ourselves, it is universal.

Also, let us note, it is exactly in accord with what we know of the human evolution, wherein the general welfare has steadily threatened the Vested Interests, and progress has resulted from changed conditions, not from fatuous legislation. We go on everywhere passing laws to make men moral or to prevent crime by punishing criminals after crime has been committed, and all the time the morality of men is enhanced only by increased intelligence, and the crimes of men are discouraged chiefly by improved conditions.

There used to be a place on the Thames below London Bridge (at Limehouse Reach, I think it was) called Execution Dock, whereof the purpose was to regulate and discourage piracy. We are prone to forget the fact, but piracy (maritime) used to be a tremendous industry and flourished at least as gloriously as stock-watering flourishes now. All the civilized nations had savage laws against piracy, and in every corner of the three oceans pirates abounded. The more drastic the laws, the more numerous the pirates. The function of Execution Dock was to furnish object-lessons of these laws for the minds of simple sailormen. How? Why, they used to string pirates up by the neck and let them dry in rows so that sailors going up and down might see them. And many a pirate crew has sailed past these grisly relics and looked up at them and gone to pirating the next week. As a discourager and regulator the show was a failure. It is even of record that some honest crews went by Execution

Dock and turned pirates at the Nore before they were well out of the Thames.

Very able lawmakers set their brains to work to devise statutes that would stop piracy, and the more they devised the more piracy spread. Men must still be alive that remember when it was a peril of the seas, when merchantmen for India and China went armed to the teeth, broadsides of great guns, sixteen to twenty of them, men-at-arms and skilled gunners in the crew, boarding cutlasses in the companionway. And yet the laws were most ably planned. So late as 1836 the ship in which Richard Henry Dana sailed from Boston on his immortal "Two Years Before the Mast" was chased by a pirate in North Atlantic waters and narrowly escaped capture. And still the laws were all that could be desired for ingenious severity and still piracy thrived. And then steam came and was universally adopted, and piracy became a reminiscence and the laws against it legal curiosities.

The laws had not discouraged or regulated piracy; changed conditions had made it impossible.

Similarly, with terrible tortures in the presence of absorbed and brutalized multitudes, they used to put highwaymen to death, but the highwaymen continued to infest English roads until steam and the telegraph and denser populations made their trade impossible. Conditions had changed; the laws remained the same.

And it is from conditions also that the impulse comes toward improvement, not from theories, nor from the sacred pages of the learned writers. Very few of the men that wrought in the two great recent revolutions in English life, Coöperation and Municipal Trading, have ever reflected upon any theories involved in these profound changes. They were driven by one set of con-

ditions into another and without much thinking about either. The first Coöperators were forced by hunger and hopelessness to a leap in the dark, and the Municipal Traders have with as little ratiocination revolted against the bad service and high prices of the private corporations, Yet both movements have worked along the same lines to the same end, and both have had the same results in that they have not merely regulated nor legislated about existing evils, but have produced conditions that make some of the evils impossible.

In the British towns they did not think it enough to limit the plunder that gas companies and traction companies might take from the public; they did away with the plunder by doing away with the companies. In Germany and Switzerland they did not think it enough to tell the corporations to be good and stop lurking in dark alleys with sandbags for defenseless citizens; they took away the sandbags and fenced up the dark alleys and made it impossible for corporations to operate except in broad daylight and under the eyes of a policeman. All about Europe they did not think it enough to declare that meat-packers should not furnish diseased or rotten meat except under the official seal of the government; they did away with the disease-germs by doing away with the private packing-house. In England they did not think it enough to regulate telegraph rates; they abolished the graft of watered stock and extortionate charges by abolishing the telegraph companies. In Switzerland, Italy, Germany, Japan, Australia, New Zealand, all about Europe, they did not stop to bother with flabby and fatuous laws purporting to forbid rebates and railroad swindles; they put an end to rebates and swindles by making the railroad an instrument for the Common Good instead of an instru-

ment for Private Gain. In London the County Council was not content to tell property-owners to build nice tenement-houses for their tenants; it bought land and built the tenements itself.

In other words, the substance of all these mighty movements around the world has been to create conditions under which a part at least of the predations of wealth would be impossible.

And it should be noted as a significant fact that none of the nations or communities that have embarked upon these experiments shows any desire to return to the old conditions of corporation rapine. If you were to suggest to a great English city that it ought to abandon municipal ownership of its street-car lines, the citizens would think you crazy; if you tried to preach the private ownership of German railroads, nobody would waste time in listening. Switzerland is well satisfied with her national railroad venture; New Zealand wants no change. Simply as business propositions, without regard to theories or sentiment, all these peoples are convinced that they are on the right track. Reflect upon the huge success in the face of every obstacle won by the Coöperative movement in England, without conspicuous leaders, without a centre of directing generalship, without the impulse of greed or gain or the incentive of selfishness, with the open or covert opposition of every Vested Interest, with hostile parliaments and a sneering public; and in spite of all, no enterprise of Gain and Capital has in the same time achieved an equal business success. When the moralists tell us it is good for a man's soul to work for the welfare of others, they tell only half of the story. It is good for the man, and it is good for everybody else, and it is good for the thing the man does. When I looked first upon the Coöperative

stores and workshops of England the idea behind them seemed a flattering delusion. Nothing could be less likely to my notion than that this idea contained anything for the struggling world. But every day spent in watching the tide of progress abroad lost an old prejudice. Much I have seen since then of the tremendous and almost unknown possibilities of the Common Good. Not greed nor avarice nor aggrandizement nor lust of power nor selfishness nor brutal instincts nor any other phase of bestiality by which we excuse present conditions is a force equal to this, and from what I have seen in Switzerland, Australia, and New Zealand I must needs confess that what seemed to me at first a thing strange and idealistic seems now to represent but the normal state of man.

Elsewhere mankind is finding that as Greed is restrained, as the avenues of accumulation are closed up, as the community is placed before the individual, as the idea of the Common Good gains upon the idea of unleavened selfishness, to that extent corruption is lessened and life bettered. So that the whole development resolves itself at last into no more than this, that to do away with evil in the state it is first necessary to do away with the conditions that produce evil.

Perhaps we in this country give insufficient heed to the immense force of this trend (outside of our own country) toward the communal good. Take but the single item of government railroad ownership. In the beginning practically all railroad enterprises were owned by private capital. In 1900 there were 167,813 miles of government railroads in the world outside of the United States. Since that year Switzerland, Italy, Japan, and Mexico have taken over their privately owned lines and the principle of government ownership has been extended everywhere, so

that in 1906 there were 220,750 miles (outside of the United States) owned by government and only 91,946 miles owned by private companies.* It seems likely from present indications that in a few more years there will be hardly a mile of privately owned railroad in all Europe except possibly in Spain. The life of private ownership in England will certainly be short, and the nationalization of the French roads is definitely settled.

Thus for the dominance of unrestained greed nation after nation is substituting some idea of the Common Good. Can all be foolish and we alone be sane? The wise, thoughtful Swiss, the Italians struggling for national greatness, the Japanese, so adroit and judicious, the Mexicans, favored with a close view of the blessings of our own system: is it possible that all these people are beside themselves? Not in ignorance they have taken these steps. Always there have been years of careful investigation and comparative weighing between Private Gain and the Common Good, as shown in the different nations, and invariably the verdict has been to waste no time in the futile "regulation" of a great and threatening evil but to abolish the evil and every phase thereof. And the words in which the Mexican Minister of Finance announced the Nationalization of the railroads of his country—is there not something to ponder here?

"You are familiar," he said to the Mexican Congress, "with the aspect offered by the transportation question in the neighboring nation; the problem there is only a phase of the trust question, which may be characterized as a

*These figures are taken from tables carefully compiled for many years by Judge A. Van Wagenen, of Sioux City, Iowa, an authority to whom I gladly make acknowledgment for much valuable information about government ownership. In the totals for 1906 most of the Japanese mileage is in the private-ownership column as the nationalization was not complete when the table was prepared. In many countries of Europe the only railroads in private hands are timber manufacturing, or quarry roads, but all these are included in the private-ownership column.

peril. Those great companies are being extended every day, and many of them cover considerable areas of territory. The tendency to expansion has been so pronounced in recent years that it may be added that the aim of most of the financial interests controlling the great transportation systems of the United States is to absorb as many other lines as possible.

"The United States Government, alarmed by this tendency and desirous of initiating a reaction against it, as you well know, has taken action which aims at preventing the combining of those organizations and checking their continued expansion. Under these circumstances, it was natural that we on our side should endeavor to prevent the powerful corporations in question, attacked as they are being by all legal means in their own country, as well as harassed by the pressure of public opinion, from coming hither and seeking to absorb those Mexican railroads which are not already under the direct control of the Government."

Are all these things insignificant? Does it mean nothing that the South African Railroad Commission after patient investigation of the transportation problem there, announces its conviction that railroad rebates, discriminations and secret arrangements are the curse of modern commerce and that these things are inseparable from a condition of private ownership? And nothing that in every land but ours the idea daily grows upon men that the first function of government is to guard and promote the welfare of its people and not to assist in robbing them?

CHAPTER XXXVIII

SOME GLIMPSES OF THE WAY OU

AT THE bottom all these changes are the footsteps of advancing democracy.

Why not? Retrace these wanderings long enough to go again into that east end of London that is the sad and terrible warning to nations. You see here this vast horde, countless, listless, hopeless, ill-fed or unfed, ill-clad, ill-developed, neglected, uneducated, narrow-chested, anæmic, tubercular, brutish, sodden, pallid, dull-eyed, the finished and terrific products of our civilization, born in the subcellar and reared in the foul air and sickening steams of the slums. What shall we do with these?

Let us take that man caterwauling down the asphalt court that Sunday noon. There is the portentous figure of the times; there is the creature to watch and study and observe with a fearful disquietude. At the end of it all, he in his rags and his dirt and his fathomless misery is the symbol and impetus of all this. He is the quintessence of the old theory, he is the child of inequality, he is the product of the idea that men shall be turned loose in the world free to prey upon one another, he is the ultimate result of your *laissez-faire*, gentlemen; note him well. This is what comes of allowing Greed to work its will. Not pretty to look upon; no! And he will be less pretty when his swarming kind shall still further increase, when his tallow face shall show in every corner.

From all these movements and experiments it is clear

enough, brethren, that the time is not far off when we shall have to get off this man's back and let him up and give him a chance at least equal with our own. We shall have to cease crowding him into the odds and ends of dark caverns, and see to it that he has light and life with the rest of us. We shall have to stop poisoning him with foul air and ruining his mind with savage toil. And we shall have to do these things, not because of any theory or ism or dogma or doctrine or school or agitation, and not merely because we ought to do them, but because anything else will breed shapes and forces and epidemics and national weaknesses that will bring our house about our ears as surely as the sun shines. If we do not want India, we must stop creating the conditions that made India; if we do not want to live in one huge Whitechapel, we must stop building Whitechapels; if we do not want epidemics, we must stop breeding them; if we do not want a huge, inert, and worthless population to fail us in the time of national need, we must abolish the conditions that produce that kind of a population; if we do not want all the resources of the country to be absorbed by the American maharajas, we must stop creating ryots and pariahs.

You see it is all one story from the poor weavers groping around at Toad Lane to the broad beneficence of New Zealand legislation, and all the story comes at last to this bundle of rags in the squalling court. He is what he is because of the pressure of One Thing that has crushed and crushed him until there is left but this sodden pulp of man. But the same One Thing crushed everybody above him as far as to the iron feet of the Thing itself. What made this a bundle of rags is the same thing that drove the Rochdale weavers to devise Coöperation, that made Coöperation a world-wide defence for persons in

moderate circumstances, that forced the English municipalities to own their gas-works and water-works and street-car lines and telephone systems, that brought about the nationalization of the German railroads, that will shortly achieve the nationalization of all the railroads of Europe, that is chiefly responsible for every publicly owned enterprise in the civilized circuit. The bundle of rags, squeezed out of shape by the pressure of the Thing, has no recourse but to suffer; the men above the bundle of rags, feeling the pinch but not yet reduced to rag bundles, have ways of protesting and remedying the evil, and Coöperation, Public Ownership, and social and industrial democracy are merely these ways.

But if you say to me, How does Coöperation or Municipal Trading or Public Ownership help the bundles of rags? I say to you: As yet they help not the least in the world; only the bundles of rags are the ultimate products of the conditions against which Coöperation and Municipal Trading are the first definite protests. And here at least is something; here are some of the conditions gone that drew the blood from the veins of this caterwauling creature and stripped him of the habiliments and similitude of a man. And at least it is something gained that the rest of the world is beginning to think a little about the squeezing of these people, whose ill-nourished bodies carry their chalky bones and bloodless faces about the purlieus of every great city. That is the only kind of democracy worth worth a moment's thought; the democracy that hails the bundle of rags as a brother and will not rest until he has an absolutely equal chance with every other man. And I think you will agree with me that, in the coldest and most practical view, it is infinitely more important to the interests of mankind that the world should

have begun to take note of the squeezing even in the middle of the pile and should have begun to arm itself against the Thing that squeezes, than that we should invent new car-couplers or dig the Panama Canal.

You have observed, if you followed these notes on the world's progress, how definitely and surely all we have seen works out towards one end—Rochdale, the English Communal Municipalities, old-age pensions and governmental operations by Continental countries, up to the advanced democracy and sane humanitarianism of Switzerland. We saw the government of Japan driven by the lesson of our own misfortunes to radical extremes that it might interpose between its common people and the elements that preyed upon them. We saw in the labor government of Australia men of advanced convictions struggling hard toward more democracy and against prejudice and vested interests. In New Zealand we saw something of the prosperity and peace and moral and physical health that are wrought for a nation that will not tolerate oppression. And India offered the huge object-lesson of what happens when government is seized exclusively by the fortunate and directed for their sole benefit.

And all this meant but one thing, that often without knowing it, often without thinking much about it, the whole world moves on toward a determination that greed must not prey upon need, that these people at the bottom of the pile must be dragged out of their state of misery, that wealth must no longer be allowed to have its own way and work its own will, that the race must no longer be cursed and civilization be denied and derided by the unspeakable horrors of the slums, that some way must be found to prevent mankind from falling into these

frightful caverns of despair from the edges of which the kind-hearted drop down relief in capsules.

Always heretofore government has given the greatest share of its attention to those that least needed it: in old days to the nobles and the landowners, in our day to the corporations, to the rich and the powerful. From that distorted and lunatic view have come most of the miseries of mankind. Here are the signs around the world that henceforth government is to take first heed of the weak and the unfortunate and that the slum is to be far more an object of consideration than the palace, the money-market or even the factory.

"One for all and all for one," is the splendid motto of Switzerland. Here are the first signs that some day it will be the creed for all lands. Not, very likely, as a matter of sentiment: first as a matter of practical wisdom and enlightenment; for we cannot have slums without the deadly penalty of slums and we cannot tolerate the spoliation and degradation of the least of these our brethren without being despoiled and degraded ourselves.

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